KHADI-GRAMODYOG

Vol. 2 September 1956 No. 12

... AGRICULTURAL TRAINING SCHOOL ADUTHURAI 19 NOV 1956 (16) 19.X.56

THAT COHESIVE FORCE

"Scientists tell us that without the presence of the cohesive force amongst the atoms that comprise this globe of ours, it would crumble to pieces and we would cease to exist; and even as there is cohesive force in blind matter, so must there be in all things animate; and the name for that cohesive force among animate beings is Love. We notice it between father and son, between brother and sister, friend and friend. But we have to learn to use that force among all that lives, and in the use of it consists our knowledge of God."

—MAHATMA GANDHI

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"The Board will be responsible for preparing and organising programmes for the production and development of Khadi and Village Industries, including training of personnel, manufacture and supply of equipment, supply of raw materials, marketing and research and study of the economic problems of different village industries. The Board will also function as a clearing house of information and experience relating to these industries".

(From the Resolution of the Government of India).

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(Director of Publicity),

ALL INDIA KHADI & VILLAGE INDUSTRIES BOARD.

KHADI—GRAMODYOG

VOL. 2 SEPTEMBER 1956 NO. 12

EXCISE DUTY ON CLOTH

When a cess at the rate of pies three per yard was imposed in 1952 on mill cloth, the proceeds of which were earmarked for the promotion of the Khadi and handloom weaving industries, there were several among the protagonists of these industries who had urged that to afford the requisite measure of protection and to secure the requisite resourese for the development of the decentralised sector of the cotton textile industry, the scale of duty should be raised gradually. The scale of excise duties on cloth has been raised subsequently, besides reserving the production of certain varieties and sorts exclusively to the handlooms. Parliament has now approved of an additional levy, details regarding which are contained in a separate section of this journal.

It should be clear, however, from the memorandum accompanying the Bill to introduce this measure of taxation (which memorandum is also reproduced elsewhere in this issue) that the object of the proposed levy is very different from what the Central Government had in mind when imposing the cess on mill cloth four years ago. The new levy is intended primarily to intercept for the State and drain away from the trading and manufacturing interests concerned, the surplus profits that have accrued to them because of the rice in the prices of cloth that has taken place in recent months. This rise is attributed to the growth of demand for cloth which is reported to have outstripped the expansion of output that has occurred in the last year or so. An indirect effect of the additional excise duty, in case it is not absorbed by the interests concerned, may be to raise the prices of cloth which may have the result of slacking the consumer demand for cloth. The falling off of demand may lead to a fall in the price of cloth, necessitating the reduction or removal of the additional excise duty.

There are assumptions involved in the foregoing chain of reasoning

which are not wholly obvious. The validity of some of the data such as the disparity between the rise in cloth prices and the prices of foodgrains, raw materials and manufactured goods, the quantum of increased demand, the stocks with retailers and wholesalers, the variations in the rise in prices of cloth as between different types of cloth, has not been established fully. The view has also been expressed that, if the principal object is to mop up the surplus profits that have accrued, the levy of an excess profits tax or some similar device might have better suited the purpose. Whether the levy of a duty will lead to a reduction in prices is also open to doubt. From the point of view of those engaged in the promotion of the Khadi and handloom weaving industries, a matter of concern is the impression created that it is in their interest that the additional levy is contemplated since the need for it has arisen because a ceiling has been placed on the production of mill cloth.

Such an impression is, by and large, unjustifiable. It is true that, as a matter of national economic policy, the decision was taken several years ago to disallow the installation of additional looms in mills. There is no ban on the replacement of old looms by new looms unless the new machinery is of a type that involves the displacement of labour in the mills concerned. The installation of spindles is, no doubt, regulated; but it was only very recently that, for a time, fresh licences stopped being issued on the ground that the additional demand for yarn could be met with the materialization of the licences already issued. Besides, in fact, no shortage of yarn has been observed. Despite the discussions that have gone on for controlling production by the mills to afford scope for the development of the cottage textile industry, as advocated over a year ago by Prof. P. C. Mahalanobis and the Panel of Economists, no fresh curbs have been imposed which should occasion the shortage in cloth supplies that is adduced as the main justification for the new cloth excise. It is not more than a month since the programme for the Ambar Charkha was sanctioned and near about the same time since the handloom weaving industry was given a definite allocation for production. To lay the blame, hence, on this sector of the textile industry for the higher prices that, because of the new duties, the consumer may have to pay will be unreasonable and unjust and will grieviously prejudice Khadi and the handloom industry in the eyes of the common man.

KHADI AND VILLAGE INDUSTRIES COMMISSION

It is now nearly a year and half since a Bill to create an All India Khadi and Village Industries Commission was introduced in the Lok Sabha. The pre-

ssure of other official business prevented the Bill from being taken up for consideration during the sessions of the Lok Sabha intervening between May 1955 and September 1956. Fortunately, however, business permitted of the Bill being considered in all its stages at the sitting of the Lok Sabha on 1st September and the Bill was passed by that House of Parliament with an amendment making provision for the appointment of a Financial Adviser.

Elsewhere is published the text of the Bill together with the Statement of Objects and Reasons. That statement makes clear the object of the measure which is to remove impediments in the execution of the programme entrusted to the All India Khadi and Village Industries Board and to facilitate its working. What these impediments are has often been dealt with in the pages of this journal and in various resolutions passed from time to time by the Board. In the absence of any statutory authority, the Board has to function as a wing of the Ministry to which it is attached, with this disability that it represents a novel mechanism that cannot quite be fitted in into the framework of a section of a Ministry. The disabilities are both administrative and financial.

At an early stage, that is, before the close of the first year's working, the Board concurred in the view of the Ministry of Commerce and Industry, with which it was then associated, that these difficulties could be surmounted only by investing the executive of the Board with specific statutory authority. After some discussions, the Board also fell in with the view that statutory powers should be vested in a smaller compact body of members and not in a committee composed of 16 persons. What financial autonomy it should enjoy, what powers of superintendence and financial control Government should exercise, are matters of importance. General agreement on these has been embodied in the provisions of the Bill.

When the Bill becomes law, the responsibility for the development of Khadi and other village industries will devolve in a Commission consisting of not more than five members to be selected for the purpose from among its member in consultation with the Board. The Board itself will continue to function as the advisory adjunct of the Commission which, in matters of determining policies and programmes and in the method and manner of their execution, will be guided by it. Subject to audit and budgetary provisions, the Commission will enjoy wide powers and will be held accountable to the public through Parliament. It is a heavy responsiblity that the change of status imposes on those connected with the Board. In the discharge of this responsibility they will succeed only to the extent they look upon themselves as public trustees in the widest connotation of that term.

CRITICS OF THE AMBAR CHARKHA*

Of the various points of criticism of the Ambar Charkha and the programme for the development of decentralized spinning based on it, perhaps the least informed is that, technically its extensive use may result in a considerable loss of raw cotton and in compulsory reduction in the wages of weavers. This criticism is based on the assumption that (i) the precentage of wastage from cotton to yarn on the Ambar Charkha is about twice as high as in the mills; (ii) the counts of yarn that can be spun on the Ambar Charkha from a given variety of cotton have to be necessarily lower than those that can be spun from it in the mills, and consequently only coarser varieties of cloth can be woven from it; (iii) to ensure production of fairly good cloth, good varieties of cotton from which the mills can spin considerably higher counts in larger quantities have to be diverted to the Ambar Charkha; (iv) as the Ambar yarn is uneven, knotted and of varying strength, not more than 3 yards can be derived from a pound of yarn as against 5 yds. from a pound of mill yarn; and (v) not more than 3 yds can be woven in a day by a hand-loom weaver, whose wages as a result are likely to be reduced by 50 per cent or more.

Unfounded Assumptions

That these assumptions are altogether unfounded becomes obvious when it is stated that they are based on the experiments conducted at a single handloom centre, the name of which, however, is not disclosed. The report of the Ambar Charkha Enquiry Committee provides adequate illustrative data on each aspect of the performance of the Ambar Charkha and the weavability of yarn spun on it. As against the experiences of one handloom centre, the report provides data on the experiments conducted under the auspices of several well-known technological institutes and over 100 prishramalayas and over 50 handloom weavers. The least one could have expected of an objective, textile technologist was that he was familiar with the data of performance before writing articles on the Ambar Charkha and its technical potentialities.*

The Wastage Question

According to the estimates of competent authorities, the percentage of wastage from cotton to yarn in the textile mills today is about 18 per cent, of which a part is later recovered and sold, whereas on the Ambar Charkha the average wastage, according to the Ambar Charkha Enquiry Committee, is about 15 per cent. Though a part of it is known to be used for spinning coarser counts of yarn to weave Durries, etc; no detailed statistical data were available to the Committee to compute accurately the percentage of net wastage. In other words, the gross wastage of raw cotton in spinning on the Ambar Charkha compares favourably with that in the mills, and experience of all the Khadi institutions for over thirty years bears

* See article by Shri B. B. Joshi in the special Textile Industry supplement published by the Times of India' on August 31.

out the claim that the net wastage is smaller in hand-spinning than in machine spinning and most certainly not higher.

Fallacious Criticism

There could be nothing more fallacious than the criticism that, from a given variety of cotton, the mills can spin higher counts of yarn than hand-spinners on the Ambar Charkha. On the traditional charkha, from imported varieties of raw cotton counts of 500's have been spun as against the maximum of 125's in the cotton textile mills in the country. Similarly from short-staple varieties counts up to 52's have been spun on the traditional charkha and upto 24's on the Ambar Charkha. In fact, the data collected from the Ambar Pilot Programme show that from medium and short-staple cottons without any mixings hand-spinning has provided relatively higher counts and, to that extent, hand-spinning facilitates economizing the better varieties of raw cotton. In other words, the critic of the Ambar Charkha did not bother to examine data so readly available to him on the spinning performance of the Ambar Charkha, and consequently, his view that the extensive use of the Ambar Charkha may necessitate diversion of better varieties of raw cotton to the Ambar Charkha from the mills, involving a considerable loss, is not only contrary to facts and experience, but just the thing the Ambar Charkha is likely to avoid to the greater benefit of the mills and the exchequer.

Comparative Studies

In about 120 comparative studies of mill and Ambar yarn of similar counts made by the ATIRA it was found that quality for quality the Ambar yarn was not only as good as the reeling yarn commonly distributed to the handloom weavers, but in many respects superior to it. The results of the comparative studies made by the ATIRA and other technological institutes in various parts of the country are available in the Appendices of the Ambar Charkha Enquiry Committee' Report. While it is true that the Ambar yarn produced by trainees or by inadequately trained spinners working on their own without proper supervision is relatively inferior, it certainly is not true that an adequately trained spinner cannot spin yarn of acceptable quality. Where the quality of raw cotton supplied has been good, the instrument in working order and the operative fully and adequately trained, the yarn has been comparable to the reeling yarn supplied by the mills to the handloom.

Ambar Yarn And The Weaver

On what basis or on what field data the textile technologist computed the yield of cloth at 3 yds. per pound of Ambar yarn is not known. The Khadi institutions in the country have been consistently able to weave 4 sq. yds. from 1 lb of 16's and 5 sq. yds. from 1 lb of 20's spun on the traditional charkha which is accepted as technically inferior to the Ambar Charkha. In other words, even from the qualitatively inferior yarn from the traditional charkha, the

yield of cloth per pound of yarn has not been very much smaller than from mill yarn, making full allowance for breakages, and other incidentals. The data collected during the Ambar Pilot Programme on the weavability of yarn show that a mill yarn weaver is able to use Ambar yarn effectively, and the reactions of most weavers has been in favour of Ambar yarn. It is, however, not possible in the absence of detailed information of the handloom centre to which the technologist has referred, to say what exactly was the cause of the inordinately low productivity of the weavers at that centre. The weaving data supplied by this Board to the Ambar Charkha Enquiry Committee show that productivity of an average handloom weaver with Ambar yarn is 5 to 20 per cent less than his productivity with mill yarn for the first piece of Ambar cloth, 5 to 15 per cent for the second piece and almost the same for the third and subsequent pieces of cloth. In other words, familiarity with the nuances of Ambar yarn and adequate experience in the preliminary processes enables a mill-yarn weaver to weave as much with Ambar yarn as with mill yarn. It is, therefore, difficult to concede that productivity of a weaver per day with Ambar yarn is likely to be half or less than with mill yarn. The Board's experience goes altogether counter to the view of the textile technologist.

To sum up : the large-scale experimental Ambar Charkha programme is in the process of being implemented; and before adequate time has been given it to show results which can be objectively assessed, one should naturally withhold criticism based on isolated and altogether misleading experience or experiments of doubtful validity. In any case, one should examine the data available and the experience already gained before hazarding opinions which, being so completely wrong, are likely to mislead the public.

–J. D. Sundram

PROBE INTO EXCISE DUTIES ON CLOTH

(Contibuted)

Parliament have approved the proposal of the Government of India to levy, in gradual stages and at their discretion, an excise duty of 4 as. per sq. yd. on coarse and medium varieties and of 6 as. per sq. yd. on fine and superfine varieties of cloth. As a first step the Government have enhanced, with effect from September 1, 1956, the rates of excise duty as shown below :

Rates of Excise Duties per Sq. Yd.

Annas per yd.

Variety	Existing Duty	Additional Duty	Effective Duty
1. Superfine	$2\frac{1}{2}$	$1\frac{1}{2}$	4
2. Fine	$1\frac{3}{4}$	$1\frac{1}{4}$	3
3. Medium	1–2	1	2–3
4. Coarse	$1-1\frac{1}{2}$	$\frac{1}{2}$	$1\frac{1}{2}-2$
5. Dhoties and saries	$\frac{1}{2}$	–	$\frac{1}{2}$

The Finance Minister justified the enhancement of excise duties on cloth on the ground that (i) the demand for cloth has outstriped its supply which, according to him, is not increasing as fast as demand owing to Government's restrictive policy necessitated by the need to develop the handloom sector; (ii) the prices of popular varieties of cloth have steeply risen recently and the industry and trade have made enormous profits at the expense of the consumer; and (iii) it is, therefore, necessary to restrict consumption to available supply to prevent a further rise in prices and mop up the surplus profits of the industry and trade. As the enhancement of the excise duties is likely to have direct and indirect effects not only on the consumption of cloth, but also on the programmes for the development of decentralised spininng and weaving sectors of the cotton textile industry, is it essential to examine objectively the assumptions on which this policy is based.

Demand for Cloth

The estimates of demand for cloth presented by the Finance Minister fail to distinguish between *availability* and *consumption* of cloth per capita. In this country with its wide-spread and acute disparity in incomes, standards of living and sartorial habits, this distinction is of vital importance. To postulate that consumption of cloth per capita has significantly increased it is necessary to prove that incomes per capita have also significantly increased. In the absence of the relevant statistical data it is, however, impossible to provide direct statistical proof that the incomes of those sections of the population whose marginal propensity to consume is high have not risen significantly, and consequently, other devices have to be employed to prove the case.

The National Sample Surveys of consumer expenditure (Seventh round) as well as the Intensive Family Survey of the Agricultural Labour Enguiry Report provide illustrative data on the size and pattern of consumer expenditure in the country. Nothing has happened during the period 1952-1955 to raise incomes of the needy sections of the population significantly, particularly those in the rural sector. If anything, the recession in agricultural prices during the period 1953-55 has reduced their effective purchasing power, as prices of other commodities did not fall correspondingly. The benefits of the rise in the prices of agricultural commodities since the second half of 1955, in the context of the structure of marketing of agricultural produce in general, cannot be considered to have wholly been passed on to the mass of our rural population. In other words, price trends show that the assumption of a general and significant rise in consumption of cloth per capita in the rural areas during the period 1952-55 has little to support it.

The effect of the impact of the development programme in general, and of increased industrial, commercial and transport activity in particular has, been to raise incomes in the urban areas, and it is likely that consumption per capita of cloth in the urban areas which have had the lion's share in the increased prosperity, has gone up. But this is far from the assumption that the *general effective demand for cloth has risen so fast that it threatens to outstrip supply.*

Nor is the assumption valid that the fall in exports of cotton textiles is due to increased domestic demand. The almost steady decline in exports of Indian textiles since the end of the Korean war is, as the trends in world textile trade show, due wholly to the increasing consumer resistance in India's traditional export markets of cloth owing partly to the increase in supply of cloth from the old and new cotton textile exporting countries, and partly to the disinflationary policies followed by most of the countries, and the consequent reduction in the competitive capacity of Indian textiles. The decline in exports of textiles has merely led to a rise in the *availability* of cloth in the country. It is altogether misleading to argue that increased or consumption has led to a decline in exports, particularly when there are no facts to support the view.

Restrictive Policy

The overall picture of domestic demand for cloth is a very slow and almost imperceptible rise in the actual consumption of cloth due almost wholly to the increase in population. The main question is whether Government's policy is restrictive. Since the Kanungo Committee reported, the spindleage with the mills has increased. Between January 1, 1955 and January 1, 1956 the number of operative spindles increased from 11.9 million to 12.01 million, and between January and July 1956 has recorded a further increase of 1,04,976. Of the total number of licences issued,

the mills have yet to install 13,44,937 spindles. On the same ratio of effective operation of spindles in the first, second and third shifts as on January 1, 1955, productive capacity of the spindles in commission on July 1, 1956 is about 1,800 million lbs. of yarn per year, as against the productive capacity of 1,500 millions in January 1, 1955. In terms of cloth, the increase in productive capacity of the mills, after making full allowances for the increase in the production of the powerlooms and handlooms, implies an output of over 6,000 million yds. If allowances are made for the higher efficiency and out-put of the newly installed spindles, productive capacity in terms of yarn and cloth may well be considerably higher. In any case, the view that there is a grave danger of yarn shortage developing and threatening production, is, on the basis of the operative spindleage as on July 1st, 1956, altogether contrary to facts; and when the balance of the spindles already licensed are installed, there can be no danger of inadequate supply of yarn in the country. Similarly, there is little factual proof that the loomage in the mills is inadequate or that there is undue restriction on expansion. There is no restriction whatever on the normal replacement or renovation of absolete looms and replacement has been going on without any interference for quite some time. Moreover, the licensing committee have, in special cases, licensed the installation of particular types of looms. With the recent sanction of 14,600 automatic looms, and the increased productive capacity of yarn, there is absolutely no fear of cloth production falling short of demand.

To sum up : the analysis of available data and trends shows that there is no data to support the view that the per capita consumption of cloth in India has increased substantially or that the textile mills have not the necessary capacity to meet domestic demand in full.

Rise In Prices

The contention that prices of cotton textiles have sharply risen threatening consumers' interest, is, on an analysis of the available data, found to be equally untenable. The wholesale price index of cotton manufactures between December 1955 and July 1956 has risen by 7·76 per cent as against the rise of 24.10 per cent in the prices of the cereals. The chart at the end of this article brings out the relative magnitude of the variations in the prices of cereals and textiles. It is clear from the trends that the price variations of cotton manufactures throughout the period under review, as compared with the more important prices of cereals, have been insgnificant.

That speculative hoarding of textiles has been primarily responsible for the rise in the prices beyond what is justified by the demand-supply position and the imposition of additional excises in April can no longer be denied, particularly in the face of the sharp rise in the volume of bank advances since December 1955. Except in October 1954,—the time of the publication of the Kanungo Committee Report—bank ad-

vances varied with the volume of production, and in October 1954, owing to uncertainty about the future of the industry, there was speculative hoarding of cotton textiles. But the size as well as the duration of this speculative activity were small. As the chart brings out very clearly, speculative stocking of textiles which has been on the increase since October 1954, has registered a sharp increase since December 1955,

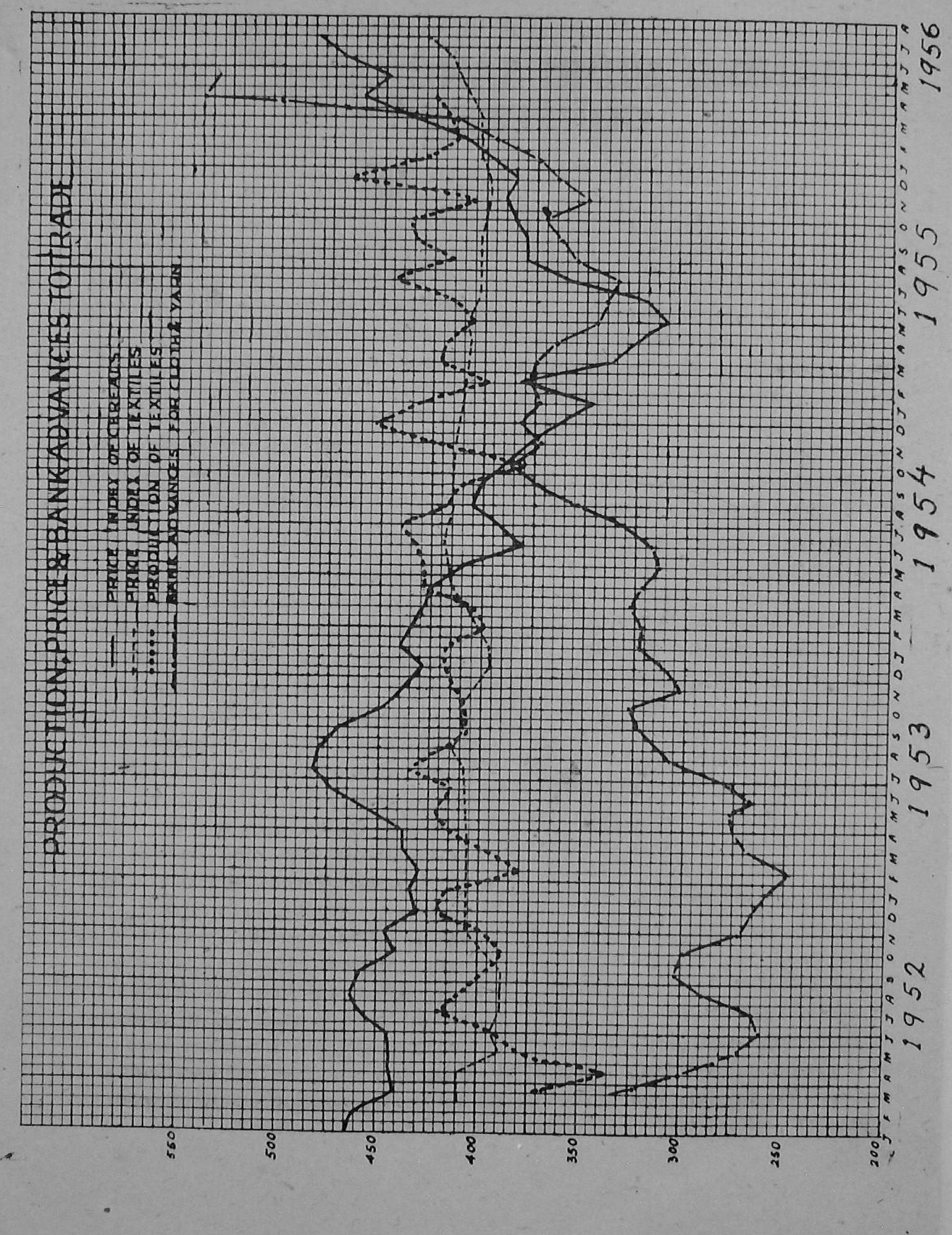
Indisputable

That the main reason behind the recent trends of declining stocks with mills, on the one hand, and steady, though small rise in the prices of cotton manufactures, on other, is the steady increase in the stocks with the trade can no longer be disputed. In other words, the indecisive position about the future of the industry, on the one hand, and continuous and unfounded reports of scarcity of cloth by interested parties, on the other, led to increased trade speculation and the creation of an artificial scarcity in the country. The recent nervousness of the cloth trade in important commercial centres, on the one hand, and the discussions between Millowners' Associations and representatives of trade, on the other, together provide positive proof that the strange phenomenon of static demand, increased production and rise in prices was due to unregulated bank advances that facilitated speculation.

Had there been any doubt that a sellers' market in textiles does not exist today, the reported decision of several millowners' associations to bear fifty per cent of the present additional excise duty and to let trade bear the balance, i. e. without raising the prices to the consumers, concedes that demand for textiles in the country is elastic, and at higher prices is likly to fall sharply. In other words, if the excise duties are, in fact, borne by the industry and trade, and thus succeed in mopping up surplus profits, it will amount to an admission that all talk about scarcity of cloth was really unfounded. A more appropriate fiscal measure to ensure effective transfer of speculative profits to the treasury would have been the imposition of any one of the several variants of the Excess Profits Tax. Indirectly, the present levy may encourage trade to seek export markets instead of windfall profits in the domestic market.

Conclusion

To conclude: interested parties in the textile industry and trade, have been indulging in unregulated and open speculation to create a scare of scarcity and inflation to stampede the Government to allow unregulated expansion of the mill industry to the detriment of the programmes for the development of the decentralized hand spinning and weaving sectors of the industry. The recently announced selective credit control to prevent speculative hoarding of foodgrains and cotton cloth and yarn more than bears out the thesis presented above. It is to be hoped that the authorities will take due notice of the arguments advanced above and take appropriate action to prevent anti-social interests from playing havoc with the welfare of the people and their plan for economic development.


PRODUCTION, PRICE & BANK ADVANCES TO TRADE
PRICE INDEX OF CEREALS
PRICE INDEX OF TEXTILES
PRODUCTION OF TEXTILES
BANK ADVANCES FOR CLOTH & YARN
550
500
450
400
350
300
250
200
1952
1953
1954
1955
1956

GANDHI NIDHI SANCHALAKS IN CONFERENCE

A meeting of the provincial Sanchalaks and departmental heads of the Gandhi Smarak Nidhi was held at Kora Kendra, Bombay, on July 28,29 and 30. Shri B. G. Kher presided. All Sanchalaks excepting those of Bombay and Tamilnad were present. The Tamilnad Sanchalak, however, had sent his representative to the conference. Barring the Secretary of the Gandhi Memorial Leprosy Foundation, all other departments were represented at the conference.

The special invitees who attended the conference were:-

1- Shri Mangaldas Pakvasa,
2. Shri Kedarnathji,
3. Shri Pranlal Kapadia,
4. Shri V. L Mehta,
5. Shri V. V. Jerajani,
6. Shri Shamlal,
7. Smt. Sushila Pai,
8. Shri M. K. Deshpande, and
9. Shri Naraindas Khimji.

The conference commenced at 9 .0 A. M. on 28th July. The Chairman of the Nidhi, Shri B. G. Kher, inaugurating the conference, recalled that Gandhiji had said that the fulfilment of his constructive programme was Swaraj. He did not say that this fulfilment would lead to Swaraj, but that this was Swaraj itself. This was a very significant and pregnant saying of his. Swaraj for the millions, that is, millions of individual men and women had no meaning except in terms of their concrete welfare which embraced food, clothing, shelter, education, medical relief, etc. Gandhiji indulged in no abstractions. He thought of Swaraj in concrete terms and wished tangible good to be brought to the door of the very poorest and the lowliest.

Memorial for Mahatma

It was possible to commemorate Bapu by erecting memorials in brick and mortar, statues and the like. But that would lead the nation nowhere. His priceless message had to be honoured in other ways. There was, he said, the Gandhi Vichar Parishad. It had to do research of a high order and in many fields. Not every body could do this research. Besides intellectual gifts the research student had to be a model of the way of life Bapu taught and practised The world today was in the sorry state of the moral man and an immoral society. Gandhiji wished to resolve this contradiction. The values he preached had to be introduced into the governance of the country. Bapu's message transcended national frontiers. They had to consider how they could use it to establish

world peace and resolve international conflicts.

The Trust Deed set forth the whole constructive programme of Gandhiji as its object. Now was the opportunity for constructive work when the Government was theirs and they had other means of furthering it. In terms of India's needs, the funds of the Nidhi were insignificant: but they were sufficient for a good beginning to be made. And where could this beginning be made except in the villages which accounted for 80 per cent of the population of India ? The problems of rural India were immense. The statisticians told them that there was for five months in the year unemployment for men and for seven months in the year unemployment for women in the village. If this unemployment could be ended, there would be an appreciable rise in the standard of living and the village would wear a new happy look. Hence his Parishramalaya scheme by which he set so much store. He asked the Sanchalaks to carefully consider this scheme so that the Nidhi could make its own small but distinctive contribution to the solution of the gravest problem before the country. Shri Kher asked the Sanchalaks frankly to express their views.

Late Shri Mavlankar

After the inaugural speech of the Chairman, the Conference passed, all standing, the following resolution on the death of the late Chairman of the Nidhi, Shri G. V. Mavlankar:

"This conference of Sanchalaks places on record its deep sense of sorrow at the passing away of Shri G. V. Mavlankar. While he distinguished himself in many fields of public service, as Chairman of the Gandhi Smarak Nidhi he earned the special gratitude of his countrymen for the thoroughness and sense of dedication with which he carried out the difficult duties pertaining to this high office. His death had left a void which it would be difficult to fill. This conference of Sanchalaks conveys their heartfelt condolence to the bereaved members of the family."

The Chairman then requested Shri Kedarnathji, a close associate of Gandhiji and Keshorelalji Mashruwala, to address the conference. He said that the essence of Gandhiji's life and thought lay in Vyawahar (conduct) Shuddhi. One might call it Jiwan Shuddhi or Atma-Shuddhi. Vyawahar Shuddhi embraced the totality of all human relationships. Man had to fulfil, he said, his primary needs There was no controversy about the fact that these needs should be fulfilled. The real question was how they should be fulfilled. That brought in ethics and moral values. Vyawahar–Shuddhi made for order, peace and harmony. It should be observed in the littlest details of life as also in great concerns and undertakings. Gandhiji was an artist who so ordered his life that there was in it the utmost beauty and harmony. Gandhiji was not for

this country or this age. He belonged to the whole world and all ages.

Khadi Board's Aid

Shri Vaikunthbhai Mehta, Chairman of the All India Khadi and Village Industries Board, said that he was happy to be in their midst. The Nidhi had four hundred Gram Sevaks. He would very much like to consider how they could take advantage of the help the Khadi and Gramodyog Board could render to them. It was true that the Khadi Board was a Governmental agency, but that should not at all come in the way of the Nidhi working in full co-operation with it and furthering common purposes. He assured the conference that they could count upon the Board for whatever help it could render.

He did not know the Gram Sevaks of the Nidhi. It was likely that they were all good and trained workers. In case there were some who lacked experience and training, they should consider a course of training for them.

Shri Mangaldas Pakvasa, a Trustee of the Gandhi Nidhi, said that there was ample scope in the Trust Deed for constructive work of many kinds. The Trust Deed itself did not encourage work in cities. Their main field of work was the six lakh villages of India.

He had opportunities of going round the country and coming into contact with many classes of people. There was a general complaint that the Nidhi was not spending its funds in the manner it should for the causes for which Gandhiji stood.

He expressed the wish and hope that they would strengthen the existing activities and initiate work in new fields.

Sanchalaks Report

After these speeches the conference took up the statement of work from Sanchalaks and heads of departments. The Sanchalaks either read out their notes or made short statements, indicating the work they were doing and the difficulties in their way.

Village reconstruction was the third item on the agenda. It was an important item which referred to the most vital and essential activity of the the Nidhi. The note prepared by the Central office on the subject was read out and a discussion followed.

The Chairman, initiating the discussion, said that the main question before the Nation was economic. It was the question of poverty and unemployment. On its solution depended other amenities such as education health and sanitation, cultural growth, etc. This quetion, the Chairman said, was no abstract proposition, but had reference to real men and women like themselves. It was their task to help in creating new human beings. A new social order which was so much talked about had no meaning except in terms of new men and new women.

Shri Karanbhai, the U. P. Sanchalak, said that the problem of village reconstruction deserved serious consideration. Till now it was possible to pick up good and experienced workers but their stock was now exhausted. They shold conform to a certain minimum standard of efficiency. The Nidhi system of one worker to a village also needed to be modified. It would yield better results if some three workers were put in charge of ten to twelve villages, covering between themselves, all aspects of village reconstruction.

Shri Parixitlal, the Gujerat Sanchlak, said that their experience was that one-worker to a village worked very well.

The Chairman explained that whatever the area of work the centre should be a visible embodiment of the spirit of Gandhiji. A visitor on entering the centre should experience the sensation of something different, something finer and purer than what he encountered in the ordinary run of villages. The Gram Sevak should set an example of purity of thought, word and deed.

Shri Sakti Ranjan Bose, the Bengal Sanchalak, said that experience had led them to modify the old system of one worker to one village. They had two workers for a number of villages, five or six. The change proved useful. Each worker knew spinning, agriculture and poultry. It would be well if each centre could have a lady worker equipped to conduct a Balwadi and maternity centre.

Shri Kesarpuri, the Rajasthan Sanchalak, said that the limited intelligentsia of Rajasthan was absorbed by the services, leaving few workers for constructive activity. There were 23 Gram Seva Centres functioning, but for any further addition to it, it would be necessary for workers to be trained. Another difficulty, was a certain conflict between the Nidhi workers in Community Project areas. Difference in approach and standards affected the Nidhi work. He opined that the Parishramalaya scheme would help village reconstruction.

Shri Janardanan Pillai, the Kerala Sanchalak, said that the Sarvodaya ideal, i.e. decentralization of economy was the workers' ideal, but for that it was necessary that more than one worker were stationed in an area. A centre should take up a variety of activities touching every important aspect of the Sarvodaya order. It would be greatly helpful if there were two or three experts at the Provincial level, who could go round and instruct Gram Sevaks in specific crafts. Recruitment of workers should be based on character and ability. They should be fitting representatives of the spirit of Gandhiji, He also said that it should be possible for the centres to receive aid from the Khadi and Village Industries Board so that their work could grow and expand.

Real Difficulty

Shri R. S. Dhotre, the Nidhi Secretary, said that there was plenty of literature on the subject. but the real difficulty

came when actual work was sought to be undertaken. Gandhiji, after coming out of prison in 1944, emphasised the 'Samagra' character of village work. Exclusive emphasis on Khadi or untouchability or any one item of the constructive programme harmed the concept of total revolution he had all along in mind. Another thing Gandhiji emphsised was that the worker should tap the village resources and rouse the village initiative. Gandhiji was prepared to meet the personal expenses of such a worker, but he would undertake no further responsibility. The rest had to be found by the worker himself. He even went to the length of saying that anybody who gave him a big sum for village work harmed the cause. This broadly was the policy the Nidhi had tried to follow.

A good training centre was a long-felt need. For such a centre the first requirement, Shri Dhotre emphasised, was a trained, experienced and selfless worker, but such a worker was hard to come by.

Shri Vaikunthbhai Mehta said that he agreed with Shri Dhotre that the approach to the preblem should be that of Samagra Seva. The training should be on the Maganwadi pattern. The Gandhi Nidhi should finance institutions which it thought suitable for the purposes of training. The field of work might well be four to five villages for a worker. The 400 Gram Sevaks could also have the benefit of refresher courses.

Shri Kher, summing up the discussion, said that the approach to village work should undoubtedly be of the Samagra kind; but for capital expenditure it was necessary that external aid was made available.

A committee, consisting of Shri Vaikunthbhai Mehta, Shri Janardanan Pillai, Shri Pranlal Kepadia, Shri Sakti Bose and Shri Karan Bhai (Convenor) was appointed to go into the question of rural reconstruction and suggest a sheme for the consideraticn of the Nidhi. September.

Parishramalaya

Shri Pranlal Kepadia then initiated the discussion on Parishramalaya. He did so in, the larger centext of the village economy as it should be reconstructed on the self-sufficiency basis, – self-sufficiency to cover food, clothing, leather etc. They could easily achieve self-sufficiency in cloth particularly if the tree cotton could be cultivated on land which was barren and fit for no other purpose. Dead animals were another source of wealth. Hide, bone-powder, flesh-manure, every bit of the dead animal could yield wealth. The gas-plant could supply gas for cooking and lighting and thereby save fuel for other needs.

In the context of rural reconstruction they had in mind the tractors, These he

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EXCISE DUTIES ON CLOTH STEPPED UP

The Government of India has enhanced the excise duty on cloth as follows :

One and half annas per square yard on superfine cloth (from two and a half annas to four annas);

One and a quarter anna per square yard on fine cloth (from one anna and nine pies to three annas),

One anna per square yard on medium cloth (from the existing one anna to two annas;

Six pies per square yard for coarse varieities – other than dhoties and sarees (from the existing one anna to one-and-a-half anna);

No change is proposed in the existing duty of six pies per square yard on coarse varieties (dhoties and sarees).

The announced duties are expected to bring in an additional revenue of Rs. 17.5 crores to the Central Exchequer in the remaining part of the current financial year (1956–57).

The Government's decision to raise The excise duty is contained in the Bill amending the Central Excise and Salt Act which was introduced by the Union Finance Minister, Shri T. T. Krishnamachari, in the Lok Sabha on September 1. The Lok Sabha has, since, approved of the provisions of the Bill.

Objects Of Bill

The Statement of objects and Reasons of the Bill says: "As market conditions (in the textile industry) vary from time to time, it is desirable to have some flexibility in the hands of Government to deal with the situation as it arises from time to time.

"The duties proposed in the Bill are four annas per square yard on coarse and medium cloth and six annas per square yard on fine and superfine cloth. It is not intended, however, immediately to enforce these rates to the full extent. Some increases (as given earlier) are being made now and it is the intention that a constant watch be kept on the movement of prices and to the extent that excessive profits are made in relation to the fair ex–mill price as worked out on the basis of the formula of the Tariff Commission, an increasing percentage of such profits may be taken away as excise duty. Correspondingly, if prices indicate a downward trend, necessary adjustments will be made in the excise duty".

The prices of cloth appended to the Central Excise & Salt (Amendment) Bill,

1956, are actual whole-sale prices in annas per pound of yarn woven. The cotton mix price is the price in annas of cotton required for producing the cloth. The difference between the two figures represents the manufacturing cost of cloth and the current profits of the mill and of the wholesaler. The figures are based on the wholesale prices ruling in the first week of each month. It will be observed that the difference has been steadily increasing and, as the manufacturing cost has remained more or less the same, it clearly indicates an increase in the profit of the mill and the wholesaler.

The average price of cloth calculated in annas per lb. of yarn woven for the different periods have been as follows :

Year	Coarse	Medium	Fine	Superfine
August 1953	37.4	39.74	80.00	143.07
January 1954	39.6	48.38	69.89	128.98
January 1955	37.96	43.32	65.60	127.05

Increase in prices since January 1956

From January 1956, the rise In prices had been particularly steep :–
(in annas per lb. of yarn woven)

1956	Coarse	Medium	Fine	Superfine
January	39.60	46.13	65.60	142.37
April	45.50	58.88	75.67	158.50
August	47.06	66.95	83.00	166.00
Increase since January 1956	7.46 as.	20.82 as.	17.4 as.	23.63 as.

For some representative varieties of cloth, the figures are as follows. It is emphasised that these represent the whoelsale prices and not Retail Prices.

Description	Category	Wholesale price now ruling in the market.		
		Jan. '56	Aug. '56	Increase
1. Drill Bleached	Coarse	0-13-3	0-14-3	0- 1-0
2. Drill Bleached and Mercerised	,,	1- 7-6	1- 8-3	0- 0-9
3. Long Cloth	Medium	1- 1-0	1- 2-6	0- 1-6
4. Dhoti (10 Yds.)	,,	7-14-0	8-12 0	0-14-0
5. Sarees (10 Yds.)	,,	7- 0-0	8- 0-0	1- 0-0
6. Long Cloth	Fine	1- 0-9	1- 2-6	0- 1-9
7. Dhoties	Superfine	18- 0-0	19- 4-0	1- 4-0
8. Voils	,,	1- 4-6	1- 7-6	0- 3-0

Comparison With "Fair Price".

The price of cloth is dependent on various factors of which the price of cotton is the biggest. When prices were controlled the Tariff Board had worked out an appropriate formula under which the fair ex-mill price of cloth was calculated. This formula had taken into account the prices of cotton, the manufacturing cost, and a return of 6 per cent on the Gross Block, to the millowner. To this was added a margin of upto about 15 per cent for retail sale. For certain areas like Assam involving higher cost of transport and freight, margin was allowed upto 20 per cent. The fair wholesaler's margin out of this was normally considered to be about 3 per cent. A comparison is given below as to what would be the wholesale price calculated on the Tariff Board formula, and the actual prevailing wholesale prices at present :

Descripton	Category	Fair wholesale price on the basis of Tariff Board Formula. August 1956.	Wholesale price now ruling in the market.	Extra margin avilable to the industry and trade.
1. Drill Bleached	Coarse	0-11-8	0-14-3	0- 2- 7
2. Drill Bleached and Mercerised	Coarse	1- 1-3	1- 8-3	0- 0-10
3. Long Cloth	Medium	1- 0-8	1- 2 6	0- 1-10
4. Dhotis (10 Yds.)	,,	8- 0-10	8-12-0	0-11- 2
5. Sarees (10 Yds.)	,,	7- 0-6	8- 0-0	0-15- 0
6. Long Cloth	Fine	1- 0-2	1- 2-6	0- 2- 4
7. Dhotis	Superfine	16- 2-0	19- 4-0	3- 2- 0
8. Voils	Superfine	1- 5-6	1- 7-6	0- 2- 0

This would show the extra profits now being made over and above what may be considered as fair selling prices.

Effect of Exports and Foreign Exchange

The result of the increased demand and the high profits being made by the Industry and Trade has been diversion of cloth from exports to our internal markets. The actual exports of mill-made cloth in 1955 have declined by more than 100 million yards as shown below with a consequent fall in foreign exchange earning.

Year	Yards in million	Foreign exchange earned in rupees through exports.
1954	810	66.9 Crores
1955	693	57.43 Crores
The decline tn exports has continued in 1956		
For the first six months of 1955.		362 million yards.
For the first six months of 1956.		342 million yards.

In the Second Five Year Plan period a target of 1,000 million yards have been envisaged as this is an important item for earning Foreign Exchange resources for the Plan requirements.

Shri Krishnamachari told the Lok Sabha that the former Finance Minister had observed, while enhancing the excise duty on cloth in his budget proposals for the current financial year, that the steadily expanding demand for mill cloth had resulted in substantial reduction in stocks of cloth in the mills and with dealers. He (the Former Finance Minister) had also referred to the rise in the prices of agricultural commodities.

"These trends have continued during the post-budget period and prices have risen even beyond the limits justified by the increase in the duty. In the Second Plan encouragement to the handloom sector in the interests of larger rural employment had resulted in the adoption of some restrictive policy in regard to any increase in production in the mill sector. This is anothar factor which has resulted the demand for mill cloth running ahead of its supply. Prices have risen and larger profits are being made by the Industry and Trade at the expense of the consumer.

This has been particularly so in the medium and coarse categories which account for more than 80 per cent consumption of cotton textiles in the country. These developments have been causing a good deal of anxiety to Government for some time. We thought of various steps to check these trends. The measure which is before the House is, in Government's view, intended to meet the situation".

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KHADI AND VILLAGE INDUSTRIES COMMISSION

The Lok Sabha passed on September 1, 1956, a Government Bill for the establishment of a Commission for the proper development of Khadi and Village Industries in the country.

After the setting up of the Commission, the All India Khadi and Village Industries Board which now has both advisory and executive functions, will function as an advisory body, advising the Commission generally in the discharge of its duties. Shri K. C. Reddy, Union Minister for Production, told the Lok Sabha, that the Board will include representatives of State Governments.

The powers that would be vested in the Commission, Shri Reddy said, were fairly comprehensive "and will enable the Commission to work on a very satisfactory basis in the direction of Planning and implementing various schemes for cottage and village industries." Funds for the Commission would be voted by Parliament every year and Government would have powers to issue directives.

During the last three years, Shri Reddy pointed out, the allotment for khadi and village industries had been increasing each year. Now it was of the order of Rs. 5 crores or so a year. It was on the cards that, in future years during the Second Plan, the amount that would have to be allotted would be much higher. "We have already sanctioned a scheme for the introduction of 75,000 Ambar Charkhas over which expenditure of the order of Rs. 4 crores would have to be incurred in 1956-57. If this scheme proves a success, and I anticipate it will, we will have to provide larger and larger amounts during the remaining years of the Second Plan.

I would like to state that this Bill is in consonance and in full conformity with the Industrial Policy Resolution of the Government of India and the Second Five-Year Plan which has been placed before the country. This Bill has been discussed thoroughly at various stages with the Planning Commission and with the ministries concerned. The All India Khadi and Village Industries Board, including its Chairman, have also been consulted with regard to the present Bill and I am in a position to say that the provisions of this Bill have received the concurrence of the Khadi and Village Industries Board by and large. In fact the Board was actually looking forward to the passage of the Bill by Parliament. He added that he did not wish to anticipate the "complexion" of the Commission

to be set up under the Bill, but assured the House, that "it shall be my endeavour to constitute the Commission and the Advisory Board in such a way that the respective functions which they will be called upon to discharge will be done harmoniously and in a spirit of team work.

A Government amendment to the Bill providing for the appointment of a Financial Adviser to the Commission was also accepted by the Lok Sabha. The need for and the circumstances in which the constitution of the commission became necessary, are explained in the statement of "Objects and Reasons" appended to the Bill. This Statement says :

Statement of Objects And Reasons

With a view to promoting and developing khadi and village industries, the Central Government constituted a Board called the All India Khadi and Village Industries Board and vested it with powers to prepare and organise programmes for the production and development of khadi and village industries and to deal with other matters incidental thereto. It has, however, been found in actual practice that the work of the Board has been hampered by certain procedural and financial difficulties, difficulties which would be removed if a Commission were set up by law. It is, therefore, proposed to set up a Commission, called the All India Khadi and Village Industries Commission which will be vested with powers executive as well as administrative, for the proper development of Khadi and village industries. The Bill also provides for the All India Khadi and Village Industries Board functioning as an advisory body which will advise the Commission generally in the discharge of its duties.

Financial Memorandum

In order to assist the development of Khadi and Village industries, the All India Khadi and Village Industries Board was set up under a resolution of the Government of India in the Ministry of Commerce and Industry, No. 45-Cot, Ind. (5) 52 dated the 14th January, 1953. The Bill contemplates the establishment of the All India Khadi and Village Industries Commission as a statutory body.

Under clause 17 of the Bill, the Central Government may, from time to time, make grants and advances to the fund of the Commission to the extent the Central Govarnment considers necessary. The experditure on khadi will be met from the provision for the development of handloom and khadi industries and expenditure for the development of village industries from provision of cottage and small-scale industries under the appropriate budget head of the the Central Government Clause 20 provides that the Commission shall prepare and submit to the Central Government for approval two separate budgets accordingly and expenditure will be incurred after this budget is approved.

Memorandum Regarding Delegated Legislation

Clause 26 of the Bill empowers the Central Government to make rules to carry out the purposes of the Act. The matters in respect of which such rules may be made are specified in that clause, and generally speaking, they are of routine character. They relate to the terms and conditions of service of the Chairman and other members of the Commission, including the Secretary; the procedure to be followed in removing any member who may become subject to any disqualifications; filling up of casual vacancies in the Commission; powers and duties of the Secretary; prescribing the form in which the budget should be prepared and the date on which the budget should be submitted to the Central Government; procedure for placing the Commission in possession of funds, borrowing of money by the Commission; procedure to be followed by the Commission in maintaining its accounts and the submission of periodical reports and returns to the Government.

Clause 27 of the Bill empowers the Commission to make, subject to the previous sanction of the Central Government, regulations consistent with the provision of the Act and the rules made thereunder. The matters in respect of which such regulations may be made are also specified therein. These powers are also of a routine character. They relate to the terms and conditions of appointment and service of the officers and servants of the Commission other than the Secretary; the procedure to be followed in conducting the meetings of the Commission and maintaining a minute of such meetings; delegation of powers and duties to the Secretary or any employee of the Commission, manner in which payments, deposits and investments on behalf of the Commission may be made and the form in which certificates of genuineness of khadi and products of village industries may be granted by the Commission.

The Provisions of the Bill which is known as "The Khadi and Village Industries Commission Bill, 1956," are given in its text which is published below :

TEXT OF THE BILL

CHAPTER I

Short Title and Definitions

1. (1) This Act may be called the All India Khadi and Village Industries Commission Act, 1956.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

2. In this Act, unless the context otherwise requires :–

(a) "the Board" means the Board

constituted under section 9 ;

(b) "chairman" means the chairman of the Commission ;

(c) "Commission" means the All India Khadi and Village Industries Commission established under section 4 ;

(d) "khadi" means any cloth woven on handlooms in India from cotton, silk or wollen yarn handspun in India or from a mixture of any two or all of such yarns;

(e) 'member' means a member of the Commission and includes the chairman;

(f) 'prescribed' means prescribed by rules made under this Act;

(g) 'secretary' means the secretary of the Commission appointed under section 5; and

(h) 'village industries' means all or any of the industries specified in the Schedule and includes any other industry deemed to be specified in the Schedule by reason of a notification under section 3.

3. (1) The Central Government may, of its own motion or on the recommendation of the Commission declare, by notification in the Official Gazette, any other industry to be a village industry to which this Act applies and thereupon the industry so declared shall be deemed to be an industry specified in the Schedule for the purposes of this Act.

(2) A copy of every notification issued under sub-section (1) Shall be laid before each House of Parliament, as soon as may be, after it is issued.

CHAPTER II

Establishment and Constitution

4. (1) With effect from such date as the Central Government may, by notification in the Official Gazette, fix in this behalf, there shall be established a Commission to be called the All India Khadi and Village Industries Commission which shall be a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property and to contract, and may by the said name sue and be sued.

(2) The Commission shall consist of not less than three and not more than five members appointed by the Central Government, one of them being nominated by the Central Government to be the chairman thereof, and the members may be either whole time or part-time, as the Central Government may direct.

5. The Central Government shall appoint, after consultation with the Commission, a member other than the chairman, to be the secretary of the Commission.

6. Central Government shall appoint a person, not being a member, to be the Financial Adviser to the Commission.

7. Any member may resign his office by giving notice in writing to the Central Government and, on such resignation being notified in the Official

Gazettes by that Government, shall be deemed to have vacated his office.

8. No act or proceeding of the Commission shall be invalid by reason only of the existence of any vacancy amongst its members or any defect in the constitution thereof.

9. (1) The Commission may associate with itself in such manner and for such purposes as may be determined by regulations made under this Act any persons whose assistance or advice it may desire in complying with any of the provisions of this Act.

(2) A person associated with it by the Commission under sub-section (1) for any purpose shall have the right to take part in the discussions of the Commission relevant to that purpose, but shall not have the right to vote, and shall not be a member for any other purpose.

(3) The Central Government may, by notification in the Official Gazette, depute one or more officers of the Government to attend any meetings of the Commission and to take part in the discussions of the Commission, but such officer or officers shall not have the right to vote.

Constitution of the Board

10. For the purpose of assisting the Commission in the discharge of its functions under this Act, the Central Government may by notification in the Official Gazette, constitute a Board to be called the Khadi and Village Industries Board consisting of a chairman and such number of other members as the Central Government may think fit, chosen from among persons who, in the opinion of the Central Government, are qualified as having had experience, and shown capacity, in matters relating to the development of khadi and village industries.

11. The Commission shall ordinarily consult the Board with respect to the discharge of its functions under this Act.

Meetings

12. (1) The Commission shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Commission under this Act :

Provided that the Commission shall meet at least once in every month.

(2) The chairman or, in his absence, any member chosen by the members present from among themselves, shall preside at a meeting of the Commission.

(3) All questions at a meeting of the Commission shall be decided by a majority of the votes of the members present and voting and in the case of an equality of votes, the chairman or, in his absence, the person presiding, shall have a second or casting vote.

Term of Office

13. The terms of office and the terms and conditions of service of the chairman, the secretary and the other members and of the Financial Adviser to the

Commission shall be such as may be prescribed.

14. (1) The secretary shall exercise such powers and perform such duties as may be prescribed or as may, from time to time, be delegated to him by the Central Government or by the chairman.

(2) Subject to such rules as may be made by the Central Government in this behalf, the Commission may appoint such other officers and servants as it considers necessary for the efficient performance of its functions:

Provided that no person whose honorarium or the maximum salary exceeds five hundred rupees per month shall be appointed by the Commission except with the previous approval of the Central Government.

CHAPTER III

Functions of the Commission

15. Subject to the provisions of this Act, the functions of the Commission shall generally be to plan, organize and implement programmes for the development of khadi and village industries.

(2) In particular and without prejudice to the generality of the foregoing power, the Commission may take such steps as it may think fit :-

(a) to plan and organise the training of persons engaged in the production of khadi or in village industries.

(b) to build up a reserve of raw materials and implements and to supply them to persons engaged in the production of khadi or in village industries at such economical rates as may be suitable in the opinion of the Commission.

(c) to provide for the sale and marketing of khadi or of products of village industries;

(d) to encourage and promote research in the technique of production of khadi or in the development of village indusries, or to provide facilities for a study of the problems relating to khadi or village industries;

(e) to maintain or assist in the maintenance of institutions for the development of khadi or village industries;

(f) to undertake, assist or encourage the production of khadi or the development of village industries;

(g) to promote and encourage co-operative efforts among maunfacturers of khadi and persons engaged in village industries;

(h) for ensuring the genuineness of, and for granting certificates to poducers of or dealers in, Khadi or the products of any village industry;

(i) to carry out any other matter which may be prescribed.

16. In the discharge of its functions under this Act, the Commission shall be bound by such directions as the Central Government may give to it.

CHAPTER IV

Finance, Accounts, Audit and Reports

17. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Commission in each financial year such sums as may be considered necessary for the performance of the functions of the Commission under this Act.

18. The Commission shall have two separate funds to be called the khadi fund and the village industries fund, and all grants and advances made to the funds, from time to time, by the Central Government for the purposes of the development of khadi or village industries shall be credited to the khadi fund or village industries fund as the case may be, and all payment by the Commission for or in respect of khadi or village industries shall be made from the appropriate fund.

(2) Except as otherwise directed by the Central Government, all moneys belonging to such funds shall be deposited in the Reserve Bank of India or with the agents of the Reserve Bank of India, or, where there is neither an office of the Reserve Bank of India nor an agent of the Reserve Bank of India, in a Government Treasury, or be invested in such securities as may be approved by the Central Government.

Power of the Commission

19. Subject to the provision of section 20, the Commission shall have power to spend such sums as it thinks fit on purposes authorised by this Act :

Provided that nothing in this section shall be deemed to prevent the Commission from spending, with the previous approval of the Central Government, such moneys as it thinks fit on any such purpose outside the territories to which this Act extends.

Budget

20. (1) The Commission shall, by such date in each year as may be prescribed, prepare and submit to the Central Government for approval two separate budgets in the prescribed form for the next financial year, to be called the khadi budget and the village industries budget, showing the estimated receipts and expenditure in respect of khadi and village industries respectively during that financial year.

(2) Subject to the provisions of sub section (3) and (4), no sum shall be expended by or on behalf of the Commission unless the expenditure is covered by a specific provision in the budget approved by the Central Government.

(3) The Commision may within the respective limits of the khadi budget and the village industries budget, sanction any reappropriation from one head of expenditure to another or from a provision made for one scheme to that in respect of another, but in no case shall a reappropriation of fund be made from the khadi budget to the village industries budget or from the village industries budget to the khadi budget :

Provided that no reappropriation from the head 'Loan' to any other head of expenditure and *vice versa* in either budget shall be sanctioned by the Commission, except with the previous approval of the Central Government.

(4) The Commission may, within such limits and subject to such conditions as may be prescribed, incur expenditure in excess of the limit provided in the budget approved by the Central Government under any head of expenditure or in connection with any particular scheme, so long as the aggregate amount in either budget approved by the Central Government is not exceeded.

Borrowing of Money

21. Subject to such rules as may be made in this behalf, the Commission shall have power to borrow on the security of the khadi fund or the village industries fund or any other asset for any purposes for which such funds may be applied.

22. All liabilities incurred by, all contracts entered into with, and all matters and things engaged to be done by or for the Central Government in connection with the development of khadi or village industies at any time after the 14th day of January, 1953, and before the commencement of this Act, shall, after such commencement, be deemed to have been incurred by, entered into with or enqaged to be done by, or for, the Commission,

Accounts and Audit

23. (1) The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor General of India.

(2) The accounts of the Commission shall be audited by the Comptroller and Auditor General of India at such intervals as may be prescribed by him.

(3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Commission shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and paper and to inspect any of the offices of the Commission.

(4) The accounts of the Commission as certified by the Comptroller and Auditor General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

Returns and Reports

24. (1) The Commission shall furnish

to the Central Government, at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any proposed or existing programme for the promotion and development of khadi and village industries as the Central Government may, from time to time, require.

(2) Without prejudice to the provisions of sub-section (1), the Commission shall, as soon as possible after the end of each financial year, submit to the Central Government a report, in such form and before such date as may be prescribed, giving a true and full account of its activities, policy and programme during the Previous financial year.

(3) A copy of the report received under sub-section (2) shall be laid before each House of Parliament.

CHAPTER V

Dissolution

25. (1) The Central Government may, by notification in the Official Gazette, direct that the Commission shall be dissolved from such date as may be specified in the notification and there-upon the Commission shall be deemed to be dissolved accordingly :

(2) On and from the said date :–

(a) all properties and funds which, immediately before the said date, were in the possession of the Commission for the purposes of this Act shall vest in the Central Government ; and

(b) all members shall vacate their office as members of the Commission.

Power to make Rules

26. (1) The Central Government may by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:–

(a) the term of office of, and the manner of filling casual vacancies among, the members of the Commission, and the terms and conditions of service of the chairman the secretary and other members and of the Financial Adviser to the Commission including the salaries and allowances to be paid to them and the travelling and daily allowances to be drawn by them when they are on tour;

(b) the disqualifications for membership of the Commission and the procedure to be followed in removing a member who is or becomes subject to any disqualification;

(c) the term of office and other conditions of service of, the procedure to be followed in the discharge of functions by, and the manner of filling casual

vacancies among, members of the Board;

(d) the powers and duties to be exercised and performed by the secretary; and the Financial Adviser to the Commission;

(e) the date by which, and the form in which, the budget shall be prepared and submitted in each year under sub-section (1) of section 20;

(f) the procedure to be followed for placing the Commission in possession of funds;

(g) the procedure to be followed and the conditions to be observed in borrowing moneys or in granting loans;

(h) the conditions subject to which, and the mode in which contracts may be entered into by or on behalf of the Commission;

(i) the form and manner in which the accounts of the Commission shall be maintained under sub-section (1) of section 23;

(j) the form and manner in which the returns, reports or statements shall be submitted under section 24; and

(k) any other matter which has to be, or may be, prescribed.

Power to Make Regulations

27. (1) The Commission may, with the previous sanction of the Central Government, by notification in the Official Gazette, make regulations, not inconsistent with this Act and rules made thereunder for enabling it to perform its functions under this Act,

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely :

(a) the terms and conditions of appointment and service and the scales of pay of officers and servants of the Commission, other than the secretary, and the Financial Adviser to the Commission, including payment of tavelling and daily allowances in respect of journeys undertaken by such officers and servants for the purpose of this Act:

(b) the time and place of meetings of the Commission, the procedure to be followed in regard to transaction of business at such meetings and the quorum necessary for the transaction of such business at a meeting :

(c) the delegation of powers and duties to the secretary or any employee of the Commission:

(d) the maintenance of minutes of meetings of the Commission and of the Board and the transmission of copies thereof to the Central Government:

(e) the persons by whom, and the manner in which, payments, deposits and investments may be made on behalf of the Commission;

(f) the custody of moneys required for the current expenditure of the Commission and investment of moneys not so required;

(g) the maintenance of accounts; and

(h) the form in which certificates of genuineness of khadi and products of village industries may be granted by the Commission.

(3) The Central Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon the regulation shall cease to have effect.

THE SCHEDULE

(See sections 2(h) and 3(1)

1. Bee keeping
2. Cottage match industry
3. Cottage pottery industry
4. Cottage soap industry
5. Flaying, curing and tanning of hides and skins and ancilliary industries connected with the same and cottage leather industry.
6. Ghani oil industy
7. Hand-made paper
8. Manufacture of cane-gur and khandsari.
9. Palm-gur making and other palm-proucts industry
10. Processing of cereals and pulses

RAJYA SABHA, TOO, PASSES THE BILL

The Rajya Sabha has also passed the Bill providing for the establishment of a Commission for the development of Khadi and Village Industries.

Shri K. C, Reddy, Union Minister for Production, referred to the recommendation of the Karve Committee for the creation of a separate Ministry for Village and Small-scale Industries, and said he expected Government's decision to be "more or less on the lines" of this recommendation. He expressed the view that there was much to say in support of the Karve Committee's recomendation. "Personally, I think it would be a good reform and I am quite sure that this is being examined by the Prime Minister and at the appropriate time the needful will be done. I am not anticipating the Government's decision, but I expect that it will be more or less on the lines recommended"

Shri Reddy made this statment in the Rajya Sabha during the debate on the Khadi and Village Industries Commission Bill.

He realised the importance of the suggestion that the Handloom Board and the Khadi Board should be under one Ministry and said that the question of a rational demarcation of the small-scale industries as between the various ministries was receiving the constant attention of Government. There was duplication and overlapping as several ministries were dealing with the same industry and this difficulty had to be got over.

Explaining the need for two bodies–the Commission and the Board–Shri

Reddy said that the Board was an Advisory Body whereas the Commission was intended to be an executive body charged with the responsibility of spending crores of rupees. It had been suggested that members of the Commission should be drawn from the Board. This aspect had been considered in great detail and, after "interminable" discussions with the Khadi Board, an understanding was reached that the Commission might be there as a separate Executive Body, while the Board could remain as an advisory body and the two could be expected to function harmoniously without even a minor rupture.

It was not difficult to see to it that members of the Commission, by and large, were drawn from the Board. There was a close nexus between the two bodies and he did not think any major conflict would arise from the present arrangement. He also saw scope for expanding the list of village industries mentioned in the Bill.

There were no amendments to the Bill and the House passed it as it had emerged from the Lok Sabha. The Bill this became an Act of Parliament and now awaits the sanction of the President before it becomes law.

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PROBLEM OF AGRICULTURAL LABOUR IN INDIA

The Ministry of Labour conducted in the year 1950-51 an All-India Agricultural Labour Enquiry to collect comprehensive data on all essential aspects relating to the economic conditions of agricultural labour which, in the words of the Panel of Economists of the Planning Commission, is "the poorest, the most disadvantaged and the most insecure". Agricultural labourers form by far the largest groups of labour in this country and it was felt that the data collected by this Enquiry would be needed by the Central and State Governments for the formulation of ameliorative measures for improving the social and economic conditions of this important sector of the community. The results of the intensive family survey which formed the major part of that Enquiry, have recently become available. The line of action to be adopted would naturally depend on our understanding of the basic facts about this class.

The Facts

In India, taken as a whole, there are about 17.6 million agricultural labour families spread over a little more than half a million villages. Of these 1.6 million families are in North India, 5.0 million in Eest India, 6.2 million in South India, 1.8 million in West India, 3.3 million in Central India and 0.5 million in North-west India. Agricultural labourers form about 30.4 per cent of the total number of rural families and 22.7 per cent of the total number of both rural and urban families. The average size of an agricultural labour family was found to be 4.3, consisting of 2.0 earners, 0.3 helpers and 2.0 dependents. The average family of 4.3 could secure in 1950-51 an average annual income of Rs. 447 only from all sources, including self-cultivation of land and non-agricultural labour. The annual per capita income of an average agricultural labourer, thus, works out at Rs. 104 for India as a whole as against a per capita income of Rs. 264 for the entire Indian population. It is as low as Rs. 79 in Orissa, Rs. 83 in Madhya Bharat, Rs. 87 in Madras and Madhya Pradesh and Rs 88 in Bombay. Looked at in another way, it would appear that in the year 1950-51 all the agricultural labour families in India which formed about 22.7 per cent of the total number of Indian families, got 8.3 per cent of our net national income. Agricultural labourers, as a class, are extremely poor not only in comparison with the rest of the community taken as a whole, but even in comparison

with other classes of labour. For instance, the per capita income of a gricultural labour is only 24 per cent of that of industria labour in Bombay, 33 per cent in Madhya Pradesh, 36 per cent in Bihar and 54 per cent in Orissa.

Low Standard of Living

In a country where the average family income is extremely low, the existence of such disparties in incomes is in itself a strong proof of extreme poverty in the lowest income groups. The standard of living of the average agricultural labour family in India, as indicated by the pattern of its expenditure, goes to corroborate this fact of extreme poverty. An average family spent on food alone about 85.3 per cent of its actual expenditure which was slightly more than its income, the total annual expenditure on food coming to Rs. 393 as against the total income of Rs. 447 and the total expenditure of Rs. 461. The total per capita non-food expenditure thus came to about Rs. 16 only, of which Rs. 3 were borrowed. The average diet is not only extremely poor, but also very unbalanced, the bulk of its being cereals. Protective food, especially protein food, is almost conspicuous by its absence.

The cause of the poverty of agricultural labour families is indicated by the results of the Enquiry to be :

(a) inability of the agricultural industry to provide adequate employment to agricultural labour families ;

(b) lack of opportunities for self or non-agricultural employment; and

(c) low wages earned for paid work.

Employment Opportunities

Out of the 17.6 million agricultural labour families, about 8.8 (50 per cent) were without any land, while the remaining 50 per cent were cultivating some land on their own-either owned or taken on lease. The average holding of those agricultural families which were cultivating some land was 2.9 acres against the All-India average of 7.5 acres. On an average, an adult male was engaged in agricultural labour for 189 days, in paid non-agricultural labour for 29 days and was self-employed for 49 days, while he found no work for 98 days or about 27 per cent of the total number of days in the year. Here again, the position varied from State to State, the agricultural labourers in North India (U. P.) being unemployed for 50 days in the year and the agricultural labourers in West India (Bombay, Saurashtra, Kutch) being unemployed for 123 days in the year on an average. State-wise, the position was worse in the States of Madras (119 unemployed days), Bombay (118 unemployed days), Punjab (118 unemployed days,) Travancore-Cochin (115 unemployed days), and Bihar (107 unemployed days), while it was relatively better in the States of Pepsu (59 unemployed days) and Orissa 58 unemployed days) with other States falling in between these extremes. As, however, these figures do not indicate the differences in the average intensi-

ties of daily employment in the various States, they have no direct bearing on per capita incomes in these States. These figures indicate, nevertheless, a large measure of un-employment in so far as they reveal that an average male agricultural labourer does not do any paid or other work on about 98 days in a year. This is besides the large measure of under-employment which cannot be calculated with the aid of the data collected in this Enquiry. The presumption, however, is that in a State like Orissa where the number of unemployed days is relatively low, there must be considerable under-employment inasmuch as the per capita income is extremely low. In fact, the extremely low level of wages which prevail in almost all parts of the country is itself an indication of a general state of under-employment that prevails amongst this class of labour.

Position of Women

The position was even worse so far as women lobourers are concerned. Taking India as a whole, the women agricultural labourers could get, on an average, hired employment on 120 days in agricultural and 14 days in non-agricultural labour. Here again, there were wide variations from State to State. While in West Bengal a labourer worked for wages on 188 days in the year, at the other extreme the corresponding figures for Punjab and Pepsu were 64 and 51. Employment opprotunities for women labour have tended to decrease insofar as home industries like handpounding of rice or hand-spinning have been supplanted by large-scale factories for rice milling, spinning, etc. To that extent the income for the family as a whole has also been adversely affected.

Another significant fact brought out by this Enquiry is that 79 per cent of agricultural labourers in the country could get no other work than paid employment on land and only 21 per cent had any subsidiary occupation. The percentage of agricultural labourers having subsidiary occupations varied from 30 per cent in East India and West India to 16 per cent in Central India. One of the reasons for agricultrual labourers not being able to find subsidiary occupations was lack of finance with which they could provide themselves with the means of self-employment.

Low Wages

Low wages in most areas for paid labour in agriculture add to the difficulties which are created by the unemployment or under-emplyment of agricultural labourers. The average All-India daily agricultural wage for men was. As 17.5 only with a wide variation from As. 45.0 in Pepsu to As. 11.5 in Orissa. The average for some of the other important States are indicated below :

Daily Wage in Annas

State	Male Labourer	Female Labourer
Assam	29.8	21.9
Punjab	28.6	21.1
West Bengal	27.0	16.6
Travancore-Cochin	21.4	13.3

Daily Wage in Annas

State	Male Labourer	Female Labourer
U. P.	18.8	16.8
Bombay	17.6	11.8
Madras	15.5	9.5
Madhya Pradesh	12.8	7.9
Hyderabad	13.1	8.0

The facts of widespread unemployment, low wages and poor standard of living among agricultural labourers were already known in a general way before the Agricultural Labour Enquiry, was conducted. The data collected through the Agricultural Labour Enquiry, however, lend a quantitative content to our understanding of the magnitude of these problems and also give an idea about the variations in their incidence on the sections of this class living in different regions.

Panel of Economists

In para 25 of their Note of on "Basic Considerations", the Panel Economists of the Planning Commission have pointed out that "the other important problem is one of organising the supply of labour for whom jobs are to be found in the Second Five Year Plan period. There is also a further fact, so glaringly revealed by the findings of the Agricultural Labour Enquiry and the National Sample Survey rounds that large sections of the working force in rural areas obtain either wages or incomes much below the national average; and social justice demands that this class which, in a way, is the most exploited class in the country, is given the first chance to improve its condition when new jobs are being created in the country. Moreover, the incidence of distribution of this class is unevenly spread over different parts of the country and social justice demands that special attention is directed to what may be called the distressed areas in the country as distinguished from other areas which are better off, though in ablute terms their condition is no matter for satisfaction either".

Mere Reform No Solution

The problem is mainly of a depressed agricultural economy in all the rural areas in general, although it has assumed almost distress proportions in certain areas of the country which are not evenly spread over all the States. It is also now recognised that the problem is not merely one of securing distributive justice to agricultural labourers. Fixation of minimum wages as a State policy in India is desirable for several reasons, among which the most important is that it serves to indicate the State's anxiety to protect this class from undue exploitation. But it must be admitted that in the present depressed state of the agricultrual industry as a whole, mere fixation of minimum wages cannot play a very important role in improving the economic condition of agricultural laboureres. For this industry, as it stands today, has not got the capacity to pay much higher wages than are paid. Most of the agriculturists have small holdings and eke out a bare existence. There is, therefore, not much scope of re-distribution of income as between these two classes. Moreover, as stated in the First Five Year Plan, as our attempts to

re-organise the rights of ownership in land succeed, the opportunities for hired employment on land are likely to decline. It appears that we have to face up to the fact that, though our land reforms programmes would help a number of actual cultivators and also some families belonging to the agricultural labour class who cultivate, to a certain extent, on their own some lands mostly taken on lease, it would almost certainly lead to a decline in the opportunities for the employment of other hired labour in agriculture. It may be possible to give some relief to some members of this class by distributing lands obtained from reclamation or Bhoodan or imposition of ceilings on bigger holdings, but the proportion will be insignificantly small especially if it is decided, as is right from the economic point of view, not to permit any fragmentation or sub-division below the minimum economic unit.

The Real Remedy

The question then arises as to what should be done to ameliorate the conditions of this class. Obviously, the problem has to be tackled in its employment aspect more than in its wage aspect. This means that massive action has to be taken all over the country to increase opportunities for both hired employment as well as self-employment specifically for this class. The former can enlarged primarily in three ways:

(1) **Development of agriculture :** As agricultural activities are expanded, more irrigation is provided, better fertilizers and improved seeds are used and more intensive methods of cultivation adopted, there will be greater increase in agricultural productivity and hence greater employment opportunities for landless labourers in agriculure.

(11) **Public Works Programme** : Through the intensification of public works, e. g., building of roads, digging of irrigation canals, undertaking of soil conservation measures etc; a larger volume of employment could be provided for agricultural labourers specially in disress areas where employment opportunities for this class is unduly small.

(111) **Development of Small Industries :** Through the development of small and medium industries, especially in the depressed areas where there are a large number of unemployed or underemployed agricultural labourers.

Special assistance from the State more or less on the model of what has been done in the U.K. formerly under the Depressed Areas Act and now under the Distribution of Industries Act, should be consulted. If in a country like the U.K. which is economically and industrially so advanced, the State found it necessary to give special encouragement for the establishment of certain industries in specially depressed areas, there is certainly a much stronger reason for our doing so in this country.

Similarly, opportunities for self-employment can be developed through.

(1) allotment of available State -owned land or lands acquired from bigger landlords ; and

(2) development of village and home industries on massive scale all over the country.

Nothing New

There is nothing new in these prescriptions. In fact, all these programmes were included in the First Five Year Plan, but it appears, that these programmes are not being effectively pursued, especially from the point of view of providing greater employment opportunities for agricultural labourers. Most of the programmes included in the First Five Year Plan aim at the achievement of certain physical targets and, therefore, in the selection of areas for development of agriculture or industries, those areas where results can be achieved relatively quickly, perhaps, tended to get a high priority. In the planning of public works programmes also, insufficient consideration was probably paid in practice to the relief of unemployment amongst agricultural labourers in distressed areas. In the preparation of the programme for the Second Five Year Plan related to rural development, this is a danger that has to be carefully guarded against. This has particularly to be borne in mind in formulating schemes for agricultural development, undertaking public works, setting up of new enterprises in the public sector and licensing of new industries in the private sector. Important as they are for the general development of the economy, there is an urgent need also for specially directing these programmes in such a manner that the agricultural labourers are in a position to derive the maximum benefit for them.

A Special Charge

For this purpose, it would be desirable to have a suitable organisation at the Central Government with counterparts in the State Governments whose special responsibility would be to see that the interest of the agricultural labourers is kept in the forefront in formulating various schemes of development, co-ordinate these schemes and also ensure the provision of large allotment of resources to programmes which aim at providing greater employment for agricultural labourers. Such allocation of funds may be necessary because the programmes which have already been framed are designed to achieve certain production targets in respect of agricultural production, consumption goods, etc. There are limits to which readjustment can be made within the the resources which would be ordinarily available. If improvement of the economic condition of the agricultural labour class has to be added as a special objective of these programmes, it may not be possible to do so and, at the same time, to achieve the production targets laid down with the funds at present envisaged to be spent on these programmes.

Village and Home Indusries

Of the remedies suggested, the

development of village and home indusries deserves special emphasis. Although there may be some additional employment found for agricultural labourers in agriculture itself or in public works or in small and medium industries, still, for the largest proportion of them, employment other than agriculture will have to be found at the village site itself. This fact is well recognised in the country, but little effective action has been taken in this direction so far. When the Community Projects were set up, one of the most important items of work assigned to them was the development of village and home Industries. But in actual practice, agricultrure, health and education have tended to monopolise attention and the development of village and home industries has not made much progrerss. The Evaluation Report on the second year's working of Community Projects categorically states that "within the experience of the Evaluation Centres, there have been no really noticeable cases of improvement of the position of village crafts other than handpounding of rice in Andhra, sericulture in Assam and brick kilns in U. P. The evidence of the facts as obtained in the twenty odd Evaluation Centres in as many States indicates by no means an active or successful programme for promoting the employment, production, organisation or welfare of artisans and craftsmen." The Evaluation Report mentions the lack of markets and the low technological efficiency of our village and home industries as the two main reasons for lack of development in Community Projects areas. In reality, different aspects of the problem of development of these industries cannot be tackled in an isolated fashion. Any organisation charged with the development of village and home industries will have to take the responsibility for the following steps :

(a) Intensive regional surveys into the possibilities of development of industries with reference to local resources and existing and potential demands.

(b) Research in technology relating to these industries.

(c) Training of members of backward classes for taking to these industries.

(d) Supply of requisite tools, raw materials and finance and the organisation of co-operative societies with that end in view.

(e) Provision of adequate and effective marketing facilities for such of the products as cannot be absorbed in the village itself.

(f) Studies in the demand for such products with a view to expanding their markets.

For the achievement of the desired results in the share of village and home industries, it is essential that those programmes be centrally directed through an organisation going right down to the village level. Organisation, namely, All India Khadi and Village Industries

Board. has no doubt been set up in the Ministry of Production with a view to developing cottage and home industries: but this Organisation has yet no administrative set up reaching upto the village. As a matter of fact. executive responsibility for the programmes in this sphere largely vests in the State Board, while the Central Board concentrate on co-ordination of effort of these State Board, and the provision of technical and financial assistance and guidance, whereever necessary. It is suggested that the Community Projects Administration which is at present the only central organisation available with necessary staff reaching down to the village level, should be so re-organised that they, in close collaboration with the Central and State Village Industries Boards, could take on themselves the main responsibility for doing this work with the same priority as they are giving now to agriculture. *The ultimate responsibility for undertaking all necessary executive and developmental action should rest on the Community Projects Administration.* They should, however, be supported by adequate technical organisation at group and higher levels provided by the State Boards. This would necessitate re-orientation of the Community Projects in some areas. In other words, in areas where the problem of unemployment amongst agricultural labourers is acute, Community Projects should be henceforward oriented as much around village and home industries as around agriculture.

Need for Protection

If these proposals are accepted, it will be necessary to include in the Second Five Year Plan a phased programme with definite targets and financial provision. Every year a certain number of Community Projects should be converted into this special type concentrating on village and home industries. It will be also necessary to set up an alert marketing organisation with definite funds and personnel and to give the fullest protection to the products of village and home industries. Unless adequate measures are taken for marketing the products of village and home industries, all our efforts for developing them will be frustrated. In this context, the granting of sufficient protection is of prime importance. If large-scale industries can claim protection from foreign competition, there is no reason why some protection should not be given to village and home industries against the competition of large-scale industries. Lastly, adequate steps should be taken for the improvement of technological efficiency of these industries.

To sum up :

(i) The provision of adequate employment opportunities for agricultural labourers deserves the highest priority in the Second Five Year Plan,

(ii) This should be done by increasing the opportunities both for hired employment and self-employment.

(iii) With a view to providing greater opportunities for hired employment, development schemes in agriculture and small and medium industries should be not only stepped up, but also given such orientation as would provide the maximum benefit to agricultural labourers. Public works policies should be also modified as to increase the employment opportunities of agricultural labourers, especially in depressed areas.

(iv) With a view to increasing opportunities for self-employment, provision should be made for the settlement of landless labourers on agricultural lands and for the development of village and home industries. Sufficient financial provision for both these should be made in the Second Five Year Plan.

(vi) The Community Projects Administration should be the executive arm of this organisation and the Community Projects in areas where the problem of unemployment amongst the agricultural labour is particularly acute, should be oriented as much around village and cottage industries as around agriculture. A phased programme should be prepared for the setting up of this special type of Community Projects during the Second Five Year Plan period.

(vii) Adequate measures should be taken for marketing the products of village and home industries and the products of those industries should be given necessary protection either through a common production programme or through cesses and subsides.

(viii) Necassary steps should be taken for the improvement of technological efficiency of village and home industries and for this purpose the recommendations of the Ford Foundation Team on small-scale and cottage industries should be implemented at an early date,

(ix) A special Committee of the Cabinet should be appointed to supervise the work regarding the amelioration of agricultural labourers and the development of specially handicapped and depressed rural areas in the country.

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SOCIAL ASPECTS OF ECONOMIC DEVELOPMENT

[The aim of all planning for economic development is the raising of living standards and the creation of a better society. Standard of living has social as well as economic implications. Measures to increase agricultural and industrial production, the choice of technology, labour-intensive or capital-intensive and similar components of economic planning influence social conditions. The following article summarised from a paper presented by the I. L. O. to the Seventh Session of the Asian Advisory Committee, held at Geneva from 7 to 8 November 1955, discusses the social aspects of economic development programmes in Asian countries with special reference to capital formation.]

Since the end of the war the countries of Asia have begun to make serious efforts to accelerate economic development with a view to raising living standards of their population. Most of these countries have put into operation overall development plans for this purpose. By the end of 1955 India's First Five Year Plan will have completed its final year, the 6-year plans of Pakistan, Ceylon, Malaya and British Borneo their fourth year, the 5-year plan of mainland China and the 8-year plan of Burma their third year. Ceylon and India are preparing to launch the second stage of planning. In the Philippines the revised national development programme was completed towards the end of 1954 and a new 5-year plan has been drawn up. Japan announced its draft 6-year plan towards the end of 1954 and Indonesia in the spring of 1955. In both these countries where an overall plan is not yet in operation and in countries without an overall integrated plan, a considerable number of reconstruction projects have been initiated and carried out.

Most of the development programmes undertaken thus far have concentrated on agriculture, transport and electric power. For instance, of the combined development outlay of India, Pakistan, Ceylon and Malaya under the Colombo Plan as conceived in 1950, over 70 per cent was allocated to these three fields. In some Asian countries social investment in education, health and housing also formed a substantial part of the planned public capital expenditure. Of even greater significance

is the growing importance of community development programmes. Industrial development received a lower priority, due to paucity of capital resources and because this sphere was left to private enterprise.

Progress Of Expenditure

Several observations may be made on the comparative experience of the member countries of the Colombo Plan in working the plans as reflected in the progress of development expenditure. First, on a per capita basis the cost of development incurred in the public sector in terms of pound sterling varied markedly among the member countries. The average annual cost per head for the first 4 years ranged from £3.6 in Malaya and £3.1 in Ceylon to £0.75 in India and £0.65 in Indonesia. These figures, however, give only a rough indication of the relative magnitude of the cost of development, for this does not take into account factors like purchasing power of national currencies and the level of national income.

Secondly, there is a sharp contrast between Pakistan and Malaya on the one hand and India and Ceylon on the other; by the end of the fourth year, the former will have already overfulfilled their targets while the latter will still have a long way to go before reaching theirs. This conclusion again is subject to some qualifications. The targets for India were revised upward subsequent to their original formulation, while in Pakistan and Malaya the targets were drawn up hastily in 1950 for the second meeting of the Commonwealth Consultative Committees, though there were some subsequent upward revisions.

Thirdly, the trends of public expenditure on development over the period 1951-52 to 1954-55 diverged considerably between countries. While the trends were all moving upwards, the rate of increase was the greatest in Burma, next in Pakistan, followed by India, Ceylon and Malaya. These divergences are to a large measure attributable to differences in the balance of payments position, in the internal financial condition and also in the Government policy adopted to meet this situation.

Fourthly, while in most Colombo Plan countries the aggregate public expenditure was rising each year, there were notable changes in the relative share allocated to different fields of development. In India, for example, the main shift was from "irrigation, multi-purpose projects and power" to "agriculture, community development and resettlement."

Effect On Employment

The effect on unemployment of the development programmes launched has been very small in relation to the extent of unemployment and under-employment prevailing in the countries of the region. Except in a few countries, estimates are not available of the additional employment expected to be created upon the

completion of the development programmes launched or of the additional employment already created with the progress of the programme. Indian first Five Year Plan, however, estimated that upon its completion the plan would provide more than 5 million new jobs. In the five-year plan of mainland China, it was estimated that from 1952 to 1957 the number of workers employed would increase by 4.2 million.

It may be noted that the primary aims of these programmes are not to create employment immediately, but to expand food production and basic production facilities both of which are essential conditions for the expansion of non-agricultural employment at a later stage. The pattern of development, however, suggests the directions in which employment opportunities are likely to be created. Firstly, there will be an expansion of employment in the agricultural sector, as a result of completion of irrigation projects, introduction of more labour-intensive methods of production such as the Japanese method of cultivation, land reclamation and resettlement. From the point of view of development such favourable direct employment effects are secondary. The significance of these programmes for a long-term employment creation lies rather in their effects on the production of food and other raw materials, for only when the supply of these products increases will it be possible to shift the surplus agricultural labour to non-agricultural employment on an increasing scale.

The Next Phase

The effects on employment of projects for expansion of other basic facilities are much less certain than the direct employment effects following from the agricultural projects. Among such projects the most important are those for the development of power and transport. To the extent that these projects relieve the current shortages of power and transport, they will raise employment by enabling industries to make fuller use of their existing capacity. Beyond this the problem becomes far more complicated. Further expansion of such facilities seems a necessary condition for further expansion of employment, but it alone will not be sufficient. How far employment will further increase as a consequence will depend on several other factors, the amount of direct productive equipment and plants that will be forthcoming in response to the expanded basic facilities and technology adopted, labour-saving or otherwise. A most important point is that under certain conditions, even with expanded capital resources, industrial development (and hence the growth of employment) may come to a halt before reaching full utilisation of such resources for lack of markets, particularly in the rural sector. These considerations indicate that development planning at its next phase will become far more difficult and the problems it has to tackle, far more complicated than what has been experienced so far during its first phase, when primary objective

was merely to increase agricultural production and the basic facilities.

Two Features

With respect to most employment effects, two particular features common to most of the development programmes launched deserve special mention. One concerns the extension of community development projects in rural areas, while there are multi-purpose projects aimed at integrated development of the rural community. One of their major purposes is to make fuller and more effective utilisation of the surplus labour at the village level by such means as the construction of minor irrigation and drainage works, building of country roads, schools and other socially useful structures, and promotion of vocational training. Another common feature bearing on employment creation is the policy for improvement of handicraft and cottage industries and the promotion of small scale industries. In most Asian countries various concrete steps have been taken to implement this line of industrial policy. Governments have provided increasing organisational, financial and technical assistance to the producers in this broad category of industries. Nevertheless, the funds available for carrying out this part of the development programme were quite limited and many important projects in this field are still in the early stages of execution. The volume of employment created thus far as a result of this policy has probably been relatively small. One possible exception is the Indian handloom industry, in which employment may have expanded significantly owing to government measures to reduce competition from the cotton mills.

Social Investment

Most Asian countries have made appreciable progress in social investment and, in particular, in education and health during the period under review. One main factor limiting the rate of progress so far has been the shortage of resources available for diversion into these social fields, due especially to the competing demand for similar resources arising from the implementation of other parts of programmes directed towards the expansion of national production. To ensure the most effective use of the available resources there is a clear need for close co-ordination and integration of social investment projects and directly productive projects. As has already been indicated, this is one of the most difficult problems in development planning and each country will have to decide questions of priority for itself according to the particular situation.

Community Development Programmes

The progress of community development programmes varies considerably in different countries of the region. In some countries the programme has already embraced a significant proportion of the rural population; in others only a beginning has been made; and in still others preliminary steps have yet to be taken. Where such programmes

have been carried out vigorously, they have raised the levels of living among the villagers. As a community development programme cuts across so many different fields of activity, it will be necessary to have the closest possible co-ordination and integration of this type of programme with the overall development programmes of the countries concerned in order to avoid overlapping and to maintain internal consistency. This presents another important problem for the next phase of development planning.

Summing up, it may be stated that, during this first phase of planned development, the groundwork for a future rise in living standards has been laid. The social gains that have so far accrued from the development programmes launched are still limited. How far the living standards of the people will rise in the future with this newly-laid groundwork will depend largely on the kind of development policy to be pursued during the next phase.

The Problem Of Economising On Capital

The development programmes of Asian countries are mainly programmes of capital formations in economic and social fields. As has been noted, the progress of these programmes has been and will be limited by the availability of resources, physical and financial, needed for their implementation. For the Asian countries the two basic problems of development planning are, therefore, (a) how to augment the necessary resources for capital formation without prejudicing current consumption, and (b) how to economise on the use of capital in the process of development.

High Capital Cost

In a sense, capital saving is easier in an economically mature country than in an economically less-developed one. Economically less developed countries often have to invest more than the former in order to secure a given increase in income. One important reason for this is that, in countries which have only limited investible funds at their disposal and where the basic facilities of production—railways, roads, power production and so on—are under-developed, most of the funds must go into these basic facilities; and since these enterprises are very heavy users of capital, the growth of real income is rather small compared with the amount of new investment. There is obviously very little that can be done about this. To say that less should be spent in Asia on, say, transportation on the ground that it takes as much as eight units of capital to get a unit increase in the service, would be shortsighted. The situation is somewhat different with housing. A country can defer for a while all but the most essential housing needs (essential, that is, for productive efficiency and labour mobility); this is a matter of social policy. But there is another possibility in this

field; a poor community may be content with short-lived structures, postponing their replacement by more permanent buildings to the time when the country has become richer.

A second reason for the high capital cost of development may lie in deficiencies of the building and construction industries. They are key industries because they have to produce a large part of the physical capital which a developing country needs; while most of the machines may be imported, the buildings and other structures are produced on the spot. At least half of the investment outlay of developing countries, and often much more than that, goes on financing construction work, which covers not only wage bills paid to construction workers, but also the cost of building materials, which it usually pays to produce domestically (because of transport costs), and the cost of certain engineering and repair services. On the size and efficiency of this particular group of industries the productivity of investment largely depends. For clearly hold-ups and inefficiencies in this sector are reflected at all subsequent stages of the economy in the high cost of capital assets or in loss of production (if these industries fail to keep pace with the demands made on them). This is a typical experience of developing countries which, almost by definition, start without having adequate constructional industries. It follows that measures which can secure their timely expansion and improve their efficiency are likely to pay very high dividends.

Suitability of Capital Intensive Technology

That in Asian countries capital-intensive methods usually reduce money costs might seem to contradict what would be expected from the relative supplies of capital and labour. As in nearly all Asian countries there is a shortage of capital and an excess supply of labour, the cost advantage might be expected to lie with labour-intensive methods. This apparent contradiction can be explained in part by the fact that wages and prices of capital prevailing in those countries seldom correctly reflect the relative supply position of labour and capital. When labour is superabundant, it has no scarcity value. In the extreme case the true social cost of employing workers in a new industry might be zero (considering that no output is lost anywhere in the economy by giving the employment to workers who would otherwise be unemployed). The actual wage paid can, of course, never be zero. This is why the money cost or efficiency criterion based on relative prices of labour and capital can be misleading when there is a labour surplus : expensive machines may be installed because it pays to use them given the wage employers have to pay (relative to the price of capital). But if for planning purposes the true social cost of labour were used for assessing the profitability of investment in machines, then many machines would never be bought in these countries.

It is clear, however, that the case for using such technologies has force only where the installation of capital serves to save labour and does nothing else. There are fields where this is, broadly speaking, true. It is usually so (not always) in agriculture and also in many types of construction work. Outside the field of construction work, however, it is rather rare for capital to be merely a substitute for unskilled labour. In many industries machines take the place of skills which are also scarce, and there are numerous cases where technologies are rather inflexible and where without a good deal of capital the work cannot be done or cannot be done with the necessary degree of precision.

The above reasoning leads to no very startling conclusions : in the end, one can only take the common-sense view that certain things must be done on a large scale and in the most "modern" fashion, while others need not. The correct balance is a question of judgment. It is also a matter of timing, depending on how far ahead one cares and can afford to look.

Role of Traditional Enterprises

For the economy as a whole there is a saving of capital if the weight of the labour-intensive small scale sector in total production is increased. One way of bringing about a shift in favour of labour-intensive producers is to try to make them more efficient in the technical sense. Some additional investment is always needed for this, partly because a certain degree of mechanisation is indispensable; the traditional producers who often work with archaic tools need some capital to buy better tools. Moreover, there must be investment in building up the specialised services and agencies which provide the economies in marketing, research and so on, which the small producer needs for greater efficiency. It is pertinent to add that, if these indirect capital expenditures on the supporting services are included, the total cost of improving the small scale sector, or any particular trade, may be substantially higher than people believe, who only count the direct investment in better equipment. There is, as yet, no experience to show how this total cost would compare with the results, and how it would campare with alternative ways of spending the money.

In Japan

For the small-scale sector to survive or to be modernised, there is another requirement as was clearly shown in the Japanese experience. In Japan's economic development, from about the 1880's onwards, small workshops sprang up in large numbers and gradually became efficient simply because the demand for industrial products, and hence for labour to make them, increased very rapidly.

The demand increased so fast that modern industry itself, short of hands,

had to farm out work to neighbouring homes and villages providing at the same time marketing organisation, the specifications and the standardisation which the small producer needs to be able to produce efficiently. It is, indeed, a common experience in most parts of the world that small firms establish themselves in particular lines (while being pushed out of others) and that they grow in numbers and gain in efficiency provided that total demand increases at a sufficient rate.

In all developing countries, the growth of demand must come mainly from increased investment, which is the key to progress or the main indicator of progress. Yet even in the short period when the total amount of investible funds is more or less given, there are still possibilities of creating more demand for the products of the small producers. The most promising line of approach might be to reserve most of the capital funds for investment in those fields where the small producers do not and cannot operate, e. g., power production, communications, steel mills and so on. This means that scarce capital is deliberately not encouraged to enter markets where the established producers could serve a growing demand without making substantial new claims on scarce resources. In actual fact, development usually takes the opposite course. The first large establishments are often set up in precisely those lines in which they compete with the traditional producers; industry finds a ready market there which it can exploit simply by throwing out the small man. It is worth stressing very strongly that this form of development, which is particularly likely to be associated with technological unemployment, is not incompatible with the growth of income.

Wasteful

As history shows, and as the recent experience of India demonstrates again, the growth of unemployment and the growth of income can go together. When this occurs on a large scale, it is socially undesirable, however, and economically wasteful. The social co ts of unemployment strengthen then the case for reserving scarce investment funds for producing those things which need much capital and cannot be produced otherwise, leaving the other fields to the existing producers until the demand has caught up with what they can supply. This would be more rational also than the policy which first permits large enterprises to set up in competition with the small-scale sector, and then alarmed at the consequent growth of unemployment, turns round and puts taxes on the modern sector in order to subsidise the small. Admittedly, this cannot be helped sometimes, particularly when large enterprises grow up as producers of exports. However, as far as is practicable, the other approach seems preferable.

(Courtesy : ILO Bulletin.)

THE CRITIC'S ANGLE

An informal meeting of economists and the representatives of the Khadi Board was held at the Board's Office at 5 p. m. on Friday, August 10, to discuss the Khera Committee's Report and the Ambar Charkha Programme. Shri Vaikunth L. Mehta presided. The following is a Summary of the discussion.

Shri Vaikunth L. Mehta, Chairman of the Board, said that the main object of the meeting was to discuss the Board's Ambar Charkha Programme during the Second Plan period and the new textile policy. He said that the Board's own plans were pretty ambitious. It was not a question of just improving the traditional Charkha, nor the Khadi sentiment. It was one of producing a new instrument-one which could be tested in a laboratory and which would satisfy all technical tests. Before the plan for Ambar Charkha was finalised, the Planning Commission had asked the Board to satisfy itself about the technical efficiency of the Ambar Charkha. It was found necessary, therefore, to conduct field tests, and the Board decided upon a pilot project to be carried out with the help of the Sarva Seva Sangh. The Karve Committee had set a time limit for submitting the results of the field tests to Government. The Board had to carry out the pilot programme in a very short period. All that was, however, done and the present limited programme for the first two years of the plan was finalised.

Decentralisation :

The Aim

In the execution of the Ambar Charkha Programme, the Chairman pointed out, the Board was building mainly on the foundations laid by the old All India Spinners' Association which had done a great deal of work in the sphere of decentralised hand spinning. He out-lined the Board's proposals and pointed out that the idea was to produce the Ambar Charkhas on a decentralised basis, though it was true that some of the precision parts, i.e., the metal ones, would have to be manufactured in workshops and supplied to the production centres. While what were known as the Saranjam Karyalayas would be entrusted with the manufacture of some of the parts and the assembly of Ambar Charkhas, training of instructors and carpenters, on the one hand, and training in spinning, on the other, would be imparted by the Vidyalayas and the Parishramalayas respectively. The Board did not, however, undertake production directly, but entrusted the responsibility to institutions and State Boards. There was a great demand for the Charkhas from the public,

but, at the moment, the Board was not able to satisfy its own demand. Training in spinning had to be very systematic. To attain the ability to spin 6 to 8 hanks a day, training of 3 months was necessary. The Board was gathering considerable experience in this respect.

Emphasis on Quality

An integral part of the Ambar Charkha programme was to rehabilitate and provide employment to weavers. Here there was the question of producing the right type of yarn. Not only was it necessary to produce enough yarn, but yarn of the right quality, yarn that was acceptable to the weavers. A redeeming feature in this behalf, however, was that this problem was not so intractable as it first appeared, because weavers who had used the Ambar yarn had reacted favourably. The main problem relating to the present programme was that of making the Ambar Charkha fool-proof both in its technical and economic aspects. He, requested those present to give their suggestions on the steps that the Board might take in drawing up and implementing an effective programme of decentralised production of yarn.

An Economist's Doubts

Prof. R. K. Hazare of the St. Xaviers College, made out a number of points bearing on the technical aspects of the Ambar Charkha. He expressed doubts about the productivity of the Charkha and, according to the reports he had, the average daily output of yarn on the Ambar Charkhas was about $3\frac{1}{2}$ to 4 hanks only. The tensile strength of the yarn of below 20 counts which was the variety spun on the Ambar Charkhas, was much lower than it should be. The flat rate of $1\frac{1}{2}$ annas per hank as spinning wage would encourge the spinning of lower counts, as spinners would be tempted to maximise their earnings by producing lower couts, This posed a serious problem. Handlooms were gradually switching over to the use of finer counts of yarn, and, therefore, the survival of the Amber Charkha depended on its capacity to produce finer counts.

Shri D.R. Joshi of the State Bank, Prof. Dantwala and a few others conceded that Prof. Hazare had raised certain relevant questions and wanted to know what steps the Board had contemplated to prevent the spinning of lower counts of yarn.

Not Insuperable

Dr. J D. Sundram, Director of the Board's Economic Research Section, conceded that this was an important problem, but thought that it was not insuperable. The Board could check such undesirable developments. In the first place, all the production centres are required to submit details of production containing particulars such as the quantum of production, variety of cotton used, wastage figures, and the countwise classification of the yarn produced. From this it would be possible to gauge the general tendency, and the Board would always keep a close watch. Moreover, availability of the right type of cotton had a major bearing on the quality of yarn spun. Thus, for instance, the spinners in Maharashtra and

Karnataka had found that, with the cotton with which they were supplied, it was possible to spin only 14's. Supply of quality cotton would, therefore, greatly overcome this difficulty. In this respect, a helpful factor was that the Board itself was providing assistance for purchase and supply of cotton to spinners. In fact there was demand from spinners for particular varieties of cotton such as Jarilla and Vijay. This provided some means of exercising control over the type of yarn that was spun. The Board would, however, keep a close watch on the situation and take suitable measures from time to time, though it was not possible now to indicate precisely what these would be.

Weaver And The Yarn

Prof. Hazare pursued his point. Uniformity of yarn was very important for purposes of dyeing and bleaching. He doubted whether Ambar yarn would satisfy that test. Unless uniformity was assured, the handlooms might not switch over to Ambar Yarn. The demand for Ambar yarn might not be high for yet another reason. Since it had been found that spinning of 24's on the Ambar Charkha would be uneconomic, only lowever counts would be produced. But these lower counts would not be suitable for the weaving of dhoties and saris in which the handlooms specialised. Again, there was also a tendency among handloom weavers to shift more and more to finer counts of yarn in order to weave finer varieties of cloth. He, therefore, wondered whether the lower counts of yarn produced on the Ambar Charkha would have enough demand.

Prof. Hazare proceded and said that the entire scheme of decentralised production of yarn posed the difficult problem of organisation. In order to ensure the usefulness of yarn, it would be necessary to institute quality control. For this purpose, the Board would have to build up a large inspectorate, in the absence of which, there would be no assurance either of uniformity or quality of yarn. In his view, the programme involved huge organisational efforts.

Production of Charkhas

Commenting on the scheme of decentralised production of Charkhas, Shri D. R. Joshi asked why the Board did not favour the idea of getting the Charkhas manufactured by some well experienced firm or workshop and supply them to spinners. He thought that this would make the Charkha technically perfect and maximise its efficiency'. He was rather skeptical of the competence of the village carpenters and other workers in the Saranjam Karyalayas and feared that the entire programme might come to grief if they failed to produce the required number of Charkhas.

At this stage Shri M. B. Rao intervened and said that it was possible that the Khera Committee which had approved of decentralised production of Charkhas had done so with an eye to development of skills and technical talent in the rural areas.

Shri V. L. Mehta pointed out that the main objective of decentralized

production was to diffuse employment opportunities in rural areas.

Dr. Sundram observed that the Khera Committee had examined this question and had taken the view that the ideal course would be to supply the Saranjam Karyalayas with the precision parts and get the Charkhas manufactured by them. Referring to the doubts expressed by Shri Joshi about the efficiency of the Saranjam Karyalayas, he pointed out that these institutions were staffed with trained carpenters and some of them had experience of over 10 to 15 years. He, therefore, thought they were quite competent to undertake production and might be depended upon to deliver the goods.

Calculation of Costs

Prof. Hazare observed that in his view the Boards' calculation of wastage figures at $12\frac{1}{2}\%$, as against some 12 to 18 per cent in the mill industry, seemed to be an underestimation. As cotton would have to be carried over distances for being supplied to spinners and as cotton was expected to be stored in the spinners' homes, the proportion of wastage was likely to be higher than that assumed by the Board. The overheads to be borne by the Government would be much higher than what was estimated by the Board. The cost price calculations relating to Ambar yarn seemed to be not quite accurate and the cost figures were on the low side. Illustrating his point, he said that the Board had estimated the price of Ambar yarn of 18's at Rs. 2-14-0 per lb., which included only $12\frac{1}{2}\%$ towards overheads, and it was on that basis that the subsidy of 4 annas had been worked out. In his view the amount of subsidy might have to be much higher inasmuch as overheads would be higher as yarn had to be distributed to weavers who were widely scattered. This would mean higher transport costs.

Dr. Sundram intervened to explain the basis of the cost calculations and said that the provision for overheads was quite sufficient and that, in fact, in some cases, it had been found to be more than sufficient. He cited the experience of Gandhi Ashram, Meerut, which had under its control a net-work of production Centres running from Kashmir to Assam. In the case of this institution, overheads which, at one stage, amounted to as much as 22 per cent, subsequently dropped to $18\frac{3}{4}$ per cent and currently they amounted to only about $8\frac{1}{2}$ per cent with the result that it had a small margin and had sought the Board's advice on how best to appropriate the surplus.

Prof. Hazare asked whether Dr. Sundram was referring to retail price of cloth or wholesale price of yarn. He still thought that the distribution of yarn to weavers would add to overheads.

The Examples

Dr. Sundram replied that the Board's estimate of $12\frac{1}{2}$ per cent included entire costs from cotton to cloth, except those

involved in the manufacture and distribution of Charkhas. Although it was true that weavers were videly scattered, distribution of yarn would not be a serious problem in view of the fact that there were a large number of production centres which were fairly well dispersed. Citing two specific instances, he said that in respect of the area covered by the Gandhi Ashram, in no case was the distance between the yarn production centre and the weaving centre longer than 7 to 8 miles, while in the case of the region under the Akhil Bharat Sarva Seva Sangh, Tirupur, the average distance was about 15 miles. Even when yarn production would be undertaken on a vast scale in future and would have to be distributed over wide areas, the distance to be covered was not likely to be longer and would not, therefore, materilly alter the cost estimates.

The Chairman, Shri V L. Mehta, wound up the discussions. He thanked those who had responded to his invitation for their co-operation and valuable suggestions and hoped that they would meet more often. Such discussions, he said, helped the Board to see as others saw it and that was important in framing its programmes.

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CO-OPERATIVE PRINCIPLES AND PRACTICE

Four talks on Co-operation were given recently by Prof. M. R. Palande, Shri R. M. Talpade and Shri V. L. Mehta at local colleges. By arranging these talks the Bombay Provincial Co-operative Institute sought to serve the student community by conveying to them the message of co-operation and making them acquainted with the principles and practices of co-operation.

The Chairman of the Institute, Shri V. L. Mehta, while addressing the students of the Sydenham College, observed that various co-operative development plans have been drawn up under the Second Five Year Plan. A larga number of trained persons would be required to implement these schemes, and co-operative education and training, therefore, assume great importance.

The talks covered selected fields and in particular, dealt with Co-operative Principles and Ideology Role of Co-operation in Economic Development, Industrial Co-operatives and Village Industries and Rural Credit and Marketing. Comprehensive summaries of these talks are published in "Co-operative News Bulletin." This article is adapted from these summaries.

Co-operation is not merely an economic system. Like democracy, it is a philosophy and a way of life. The democratic ideal and the co-operative ideal have basically the same characteristics. Even a socialistic pattern of society need not be incompatible with the concept of a co-operative commonwealth; in fact socialism and co-operation are forces which can be so wielded as to strengthen and fortify each other.

The urge for reformist movements often sprang from the distressing circumstance of particular times. The rise of modern industrialism and capitalism with all their attendant evils were inevitably followed by remedial measures, in the shape of labour legislation and projects of social security. The co-operatvie movement as such, though the beginnings were extremely modest and inconspicuous, also owed its origin to the impulse to overcome certain difficulties which caused suffering and harassment to at least some members of society. The Rochdale Pioneers may be said to have embodied a keen discontent with the existing conditions of distributive trade and though, looked at purely from the point of view of the size of the transactions, their effort can in no sense be described as substantial or remarkable, the significance of that effort was in the fact that it represented a conscious resort to the principle of co-operation, of mutual help, of combined action for solving a vital problem. The idea spread and, during the course of a hundred years, several imported aspects of economic life—credit, farming, housing, processing, insurance, trading etc. have been brought within the purview of co-operative activity.

Co-operation primarily implied the elimination of the profit motive and of superfluous middle-men from the economic life of the community. It represents concerted action on a basis of equality, a deliberate pooling together of resources and of ability to combine for the common good. Such an activity, when successful, not only confers economic benefits as a result of the disapperance of unwanted parasites, but, what is equally important, it develops some of the best traits in human character, viz., an Intelligent appreciation of difficulties and of remedies to solve them, fellow-feeling, capacity for self-sacrifice and at times even self effacement, discipline, integrity, capacity to work in a team etc. In fact, it will be no exaggeration to say that the ethical value of the movement is as great as, if not greater than, its economic value. Success is not easily achieved when the attainment of moral standards is involved.

In the planned development of India the principle and method of co-operation will be called upon to play a very effective and signicant role and it is, therefore, of great importance that the co-operative gospel is spread as widely as possible so that it almost automatically and spontaneously becomes the basis of a considerable part of the economic structure of the new India that is taking shape.

Economic Development

Both as an instrument of production and of distribution, co-operation can play an important part in a country's economic development, and, in addition, it could simultaneously be an instrument for introducing social justice because of its emphasis on democratic methods and decentralization.

Co-operative agencies can certainly be effective in the dispensing of rural credit, marketing farm produce, promoting small scale or cottage industries and to some extent in co-operative farming. But, probably, the sphere of their activity can be widened by applying the co-operative principle and technique to largescale trade and to medium-sized industrial units, particularly those in which use can conveniently be made of mechanical power, but which need not be concentrated, either territorially or organisationally, into single large factories or productive establishments.

With the advent of a more heterodox concept of co-operation, according to which State assistance and State control are not only not to be discouraged but to be positively accepted, the inadequacy of capital resources which hitherto had to be gathered purely by the voluntary action of men of meagre means will be a thing of the past. State partnership for the success of co-operative effort in the direction of industrial and commercial development can be as effective as its partnership for the adequate supply of rural credit.

Abolition of the 'profit motive' (not in the sense of a fair return for labour

and capital, but in the sense of exploitation) and eliminating the number of unnecessary middlemen being among the main objectives of the co-operative ideal and method, it seems fairly natural that once direct assistance and control by the State were accepted as an integral part of the co-operative framework, the scope for the application of that framework should go on expanding with an expanding economy. What is vitally necessary is a proper appreciation by the ordinary man and woman of the potentialities of co-operation in furtherance of increased production and of an equitable distribution of the goods produced.

Village Industries

Organisation of Cottage and Village Industries on a co-operative basis is an accepted policy of the State and this is amply underlined by the affirmation of that policy by the Planning Commission in the Five Year Plans, and especially in the Second Five Year Plan.

The preliminary work for organisation of village and cottage industries were taken by the Congress Ministry of the State Government even as early as 1946. Though the work assigned to industrial co-operatives in the Second Five Year Plan is large, there is no reason to believe that the administration which has now been strengthened, will not be able to put through the programme.

The organisation of artisans and artists into co-operatives is the only remedy to end the exploitation of these poor workers by middlemen. The early efforts of Robert Owen, the forerunner of the co-operative movemant, to organise industrial colonies so that workers might become their own masters, have had great significance in the development of Industrial Co-operatives and opened out new vistas with the experience of the years.

The State and Central Governments have initialled various schemes for development of cottage and village industries. These beneficial schemes are necessary to overcome the various handicaps with which the workers are confronted. Although the country might industrially advance by building large-scale industries, yet the bulk of the labour force will have to turn to cottage, small scale and medium-sized industries for gainful occupation. This is true of even the aduanced capitalist countries.

Industrial Co-operation, especially in Bombay State, has spread itself to newer and newer fields. The movement has taken to larqe-scale production, and the results are the huge co-operative dairy at Anand and the co-operative sugar factories at Pravaranagar and Kopergaon in the Ahmednagar district.

Having set for ourselves the goal of a socialistic pattern of society, it is necessary to organise as large a field of economic activity on a co-operative basis, so that the community spirit might be ensured.

The importance of this will be evident when we take into consideration

that nearly 50 per cent of the national product is contributed by the agricultural industry. Tenant farmers and owner cultivators who tilled their small holdings constitute the bulk of the agriculturists. These subsistance farmers are compelled by circumstances to sell their produce in the village itself, depriving them of the benefit of selling in a distant market at a future date. Unless the small agriculturist is organised and an institutional agency undertakes the work of marketing his produce, there is no hope of the farmer realising a legitimate price for his product. That institutional agency is the co-operative form of organisation.

The bulk of what is, by and large, the marketable surplus is sold by the agriculturist to traders and commission agents. The agriculturist is compelled to sell his produce to the trader, who is also the village money-lender. The marketing of agricultural produce is thus largely in the hands of a body of men, who control both the sources of credit and the disposal of the produce.

Co-operative marketing has not developed to any great significance, and, although over 10,000 marketing societies operate in the country, they do not market anything over one per cent of the total marketable surplus. They do not contribute to bring about a system in which marketing is done by cultivator and for the cultivator. Even in the matter of supply of credit, according to the All India Rural Credit Survey, the co-operatives met only 3 per cent of the total credit requirements of the farmers.

Marketing Problems

In cases where the agriculturists are able to take their produce to the mandi, they are again confronted by the commission agent, the wholesaler and the broker. The market practices are unwholesome, and in the absence of an agency of his own, the agriculturist is subject to all types of malpractices. Even in places where the market is regulated undar the Agricultural Produce and Marketing Act and elected Market Committees supervise their working, the agriculturist has still to deal with the private trader and commission agent who is always prone, to favour the buyer to whose class he generally belongs in the absence of an institutional agency to serve his needs.

The All India Rural Credit Survey is an eye-opener tn many respects. The Committee of Direction has recommended the constitution of a National Development and Warehousing Corporation. The Board, for the constitution of which a Bill was passed recently by the Parliament, will function generally to plan and promote programmes for the production, processing, marketing, storage, ware housing and export and import of agricultural produce through co-operative societies.

One of the important tasks of the Committee is to co-ordinate the activities of the various authorities responsible for co-operative education and

training in the country. The State Governments, the Government of India, the Reserve Bank of India, and the non-official agencies like the State Co-operative Institutes/Unions and the All India Co-operative Union are all concerned with providing co-operative education and training facilities in the country. This has been achieved in a great measure as is evident from the publication.

The beginning of the present scheme dates back to the year 1952 when the Reserve Bank of India, in collaboration with the Bombay Provincial Co-operative Institute, established an All India Training Centre in Co-operation for senior officers, at the Co-operative Training College, Poona, run by the Institute.

The publication is a useful handbook to students and workers in co-operative institutions. It contains particulars about the various concessions granted to the trainees, the various courses and their syllabus.

Wealth From Waste

1	MINIMUM PER CAPITA NUTRITIONAL FAT NEEDED	: 2.00 Oz. Per Day
2	MAXIMUM AVAILABLE AT PRESENT	: 0.35 „ „
3	OILS AVAILABLE FOR EDIBLE PURPOSES	: 11,00,000 Tons
4	EDIBLE OILS USED FOR INDUSTRIAL PURPOSES	: 1,68,000 Tons
5	TOTAL NON-EDIBLE OIL WEALTH IN THE COUNTRY	: 1,50,000 Tons
6	RELEASE OF EDIBLE OILS FOR NUTRITIONAL PURPOSES	: 1,50,000 Tons
7	ADDITIONAL PER CAPITA CONSUMPTION OF EDIBLE OILS MADE POSSIBLE	: 10 Per Cent

NON - EDIBLE OIL SOAPS
HELP
BUILD HEALTH of the NATION

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Contd. From Page 18

said, had no place except for breaking new ground or cultivating land where there was shortage of manpower.

The Nindi, he emphasized, should take help from the Government for its Ambar Charkha programme. The Sanchalaks should have more freedom for implementing their schemes.

The Chairman remarked that a rural centre should have four or five industries.

Shri Jerajani, one of the Trusrees of Kora Kendra, gave a brief history of the institution. The institution as it stood now was the product of 12 years' hard work. What had been done here could be done in all Nidhi Centres.

As a man connected with business he (Shri Jerajani) loved to take risks involved in the Ambar Charkha. He for one had undertaken the responsibility of selling khadi worth Rs, 50 crores as a result of increased production from Ambar Charkha. He was confident that he would realise the target and in this he sought the help and co-operation of the Nidhi Gram Sevaks.

He stressed the value of tree cotton. His solgan, he said, was tree cotton and Amber Charkha in every home.

At this stage the conference adjourned.

What it Means

The Chairman. Shri Kher, at the outset gave an exposition of the Parishramalaya scheme, when the conference resumed discussions on 30-7-56. He read out extracts from the notes he had prepared on Parishramalaya and brought out the salient features of the scheme. He also referred to a section of the western thought which was increasingly critical of those tendencies in the industrial way of life which were destructive of the freedom of the individual. Lewis Mumford's Technique and Civilisation was an instance in point.

Shri Vaikunthbhai Mahta in answer to the question how the Parishramalaya scheme could be helped by the Khadi Board, said that in the Intensive Area Khadi Development Scheme there was provision for building but no provision for community centre building. It was possible, hewever, to discover ways and means of assisting the Parishramalaya seheme of the Nidhi.

Shri Karanbhai said that Parishramalaya could be opened, but they would soon be faced with the problem of marketing. He gave an instance of how 200 oilghanis estab'ished after two years of hard labour were almost wiped out when Government issued licenses for oil-crushers.

The Chairman said that three things were necessary for the success of Parishramalaya. One was its proximity to the village so that the people would not have to go long distances for work. Secondly there should be facilities available for training which should be short and simple. Thirdly the workers should get something immediately tangible as wages.

It was decided that the question of Parishramalaya should be referred to the Committee appointed for submitting a scheme of rural reconstruction.

Krishi Vibhag

Shri P. N. Baljekar, Sanchalak, Krishi Vibhag, explained what his approach to the problem of agriculture in India was. On retirement from Government service he carried out an experiment in which he made it possible for unsocial characters to earn a decent livelihood from a small plot of land. He had Shri Baljekar said, an opportunity of visiting many centres of agricultural improvement aided or financed by the Nidhi. He found that some centres had chosen unsuitable sites. At almost all the centres where cattle breeding was undertaken he noticed the absence of perennial grasses. Land also was inadequate for the maintenance of cattle. Not many centres utilized dung and urine for compost making. He also saw that too much importance was given either to agriculture or to cattle-breeding. A balanced mixture was essential for any scheme of self-sufficiency to be successful. He explained how, if financial aid was withdrawn many centres were likely to collapse. No centre, which could not be self-sufficient in the course of six years, should be regarded as a successful experiment.

He was, Shri Baljekar said, in charge of the farm at Kasturbagram. The farm had a double purpose; it envisaged an agricultural farm and dairy for self-sufficiency of the colony in food and milk and a training centre for workers.

To a question whether tractors were used on Kasturba farm, Shri Baljekar said that they were used and he had justification for their use. For land reclamation he thought their use was justified. There was also another reason. The size of the farm–some 500 acres–and non-availability of labour made it necessary for him to resort to a measure of mechanisation. It was true that there was, in most places, a surplus of labour, but there were places in India where man-power was in short supply. In the area round Kasturbagram, there was this shortage so much so that he had to import some ten famities from the Wardha district. He proposed to settle about 100 families on the farm in due course.

The Chairman said that other experts in agriculture should also be asked to advise.

It was decided to form a committee consisting of Shri P.N. Baljekar (Convenor), Shri Pranlal Kapadia and Shri Om Prakash Trikha, Sanchalak of Punjab Shakha, to go into the Krishi work of the Nidhi, including training at Kasturbagram and submit a report.

Bringing the conference to a close the Chairman thanked the Sanchalaks and departmental heads for the useful and fruitful deliberations they had for three days. Such a conference, he said, should be an annual event. He also thanked the authorities of Kora Kendra for all arrangemenis they made for boarding and lodging of Sanchalaks and the successful conduct of the conference.

HONEY CURE FOR AILMENTS

(*By Dr.* EDWARD KANDAL)

Recently I visited one of the Moscow clinic and witnessed how patients were given a new kind of medicine. Usually medicine tastes bad, but this thick fragrant pale amber liquid the patients swallowed with great pleasure. This medicine was honey—an old folk remedy. Its excellent curative properties were already known to mankind many centuries ago. From time immemorial, and in the days of ancient Egypt, the hieroglyphs describe the beneficial action of honey. The great physician of ancient times– the 'father of medicine' – Hippocrates lived to the age of 107 years. He always ate honey and treated many diseases with it.

Russia was famed for her honey. The ancient Russian epics describe how magicians used to heal with 'Century Old' honey the heroes of folklore legends, wounded in battles. In the annals of the historian Nestor, who lived in the eleventh century, we find descriptions of the high level of perfection attained by bee-keepers in Russia. Already in those far off times, Russian honey was widely exported.

A Complex Extract

Honey is a remarkably complex extract prepared by many thousands of bees from millions of flowers and plants, including numerous medicinal herbs. This extract is prepared in a way which no laboratory created by man could imitate. The hard work done by bees in order to produce honey is truly astounding, One bee family gathers up to 150 kilograms (about 150 seers) of honey in a summer season. Yet in order to make one gram (about 1/1000 seer) of honey a bee must gather nectar from scores of thousands of flowers. Although folk-medicine used honey already in the ancient days, modern medical science became interested in its curative powers comparatively recently. Soviet scientists have made an all-round study of the effect that honey has upon human organism and have obtained wonderful results by treating various diseases with it. We all know that food products, if kept in storage, go bad sooner or later. Can any food be kept without rotting, say, for one thousand years? Yes, there is such an article ot food. Not so long ago, in 1923, scientists penetrated into the pyramid of the Egyptian Pharoah Tutankamon. They found a vessel with honey which had kept for 3,300 years! This is explained by the fact that honey possesses valuable bacterceldic for killing many microbes (homolythic Streptococi, the tetanus bacilus and others) and also mould fung. This data served

as a basis for the method of treating with honey purulent wounds and burns that do not respond to treatment. *Wounds and ulcers on which a honey bandage had been applied cleared rapidly and began to heal.*

Honey Treatment for T. B

In the clinic headed by Professor Udintsev *a group of patients suffering from pulmonary tuberculosis were treated with honey.* Each patient received 100 to 150 grams of honey a day for a month. The patients gained weight, coughed less, felt much better and the composition of their blood was improved. By the way, honey exerts a particularly beneficial influence on the compostion of the blood; it considerably increass its haemo-globin content.

Promising results were obtained in *treating stomach ulcer with honey.* Honey reduces surplus acidity characteristic of stomach ulcer and is a valuable product. According to a special diet worked out by the Moscow Nutrition Institute patients suffering from stomach ulcer were given 600 grams of honey a day. This led to the rapid disappearance of pain, nausea and heartburn.

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SCHEMES AND SANCTIONS

For the implementation of various schemes framed by the All India Khadi and Village Industries Board, for the development of Khadi and other village industries, the Government of India have placed at the disposal of the Board, an aggregate amount of Rs 3,61, 51,685/- upto the end of June 1956, to be utilised during the year 1956-57. In addition to this, further amounts aggregating to Rs. 2,03,95,837/8/- have been sanctioned by the Government from 1st July to 31st August 1956 to be utilised for the following industries:-

1. Ambar Charkha Scheme	Rs.	76,46,000/-
2. Soap-making with N. E. Oils	Rs.	46,50,187/8/-
3. Village oil industry	Rs.	39,97,100/-
4. Bee-keeping	Rs.	16,15,050/-
5. Village Leather Industry	Rs.	11,95,000/-
6. Khadi	Rs.	6,20,000/-
7. Handpounding of Rice	Rs.	3,00,000/-
8 Village Industry on Intensive basis	Rs.	2,29,450/-
9. Intensive Area Scheme	Rs.	1,41,000/-
10. Atta Chakki	Rs.	2,050/-
Total	Rs.	2,03,95,837/8/-

1. AMBAR CHARKHA SCHEME

	Amount Sanctioned (Rs. Lakhs) Grant	Loans
1. Manufacture of 64, 500 Ambar Charkhas	38.4	38.4
2. Supply of 500 Ambar Charkhas to Training Institutions at Rs. 120/- per Charkha	0.6	–
3. 50 Workshops (Saranjam Karyalayas)	8.90	—
4. Opening of 100 additional Parishramalayas	12.75	—
5. Opening of 15 additional Vidyalayas	4.66	—
6. Setting up of 5 main and 10 sub-production centres	2.75	—
7. Discretionary Grant	0.25	—
8. Rebate on the sale of Khadi at the rate of As. 4/- in the rupee	30.00	—

	Grant	Loans
9. Working capital for production of Ambar Yarn and Cloth	—	100.0
10. Non-recoupable advance for seasonal purchase of cotton	—	40.0

Further release of the following funds for the implementation of the Ambar Charkha Programme has been made :

Grants	Rs. 16,00,000/-
Loans	Rs. 60,00,000/-
Grant to meet the cost of erecting and running a small workshop for repairing Ambar Charkhas in Alipur Centre, near Delhi.	Rs. 46,000/-
Total	Rs. 76,46,000/-

2. SOAP-MAKING INDUSTRY LOANS :

1. Loans for disbursement to Co-operative Societies/Registered Bodies/Statutory State Boards for establishing Oil Crushing and/or Soap centres as per details below :-

(a) **'A' class units (15)**

50% capital cost of 4 Oil Centres	Rs. 12,000/-
50% capital cost of Soap Centre	Rs. 4,500/-
Working capital for Oil and Soap Centre	Rs. 20,000/-
For 1 Unit	Rs. 36,500/-
For 15 Units	Rs. 5,47,500/-

(b) **'B' class units (30)**

50% capital cost of 2 Oil Centres	Rs. 6,000/-
50% capital cost of Soap Centre	Rs. 3,250/-
Working capital for Oil Centres and Soap Centre	Rs. 10,000/-
For 1 Unit	Rs. 19,250/-
For 30 Units	Rs. 5,77,500/-

c) **'C' class units (120)**

50% capital cost of 1 oil Centre	Rs. 3,000/-
50% capital cost of 1 Soap Centre	Rs. 2,250/-
Working capital for oil Centre and Soap Centre	Rs. 5,000/-
For 1 Unit	Rs. 10,250/-
For 120 Units	Rs. 12,30,000/-

2. Loans to existing Soap-making and oil pressing Centres in renewal of loans already sanctioned to them :

	Rs. 5,00,000
Total	Rs. 28,55,000

Sanction has been given by the Government to a grant of Rs.17,86,000/- for the development of the industry, to be utilised as follows :-

(1) Grants and Subsidies

For disbursement to Co-operative Societies / registered bodies / Statutory

State Boards for establishing Oil-crushing and / or Soap Centres as per details given below :-

a) 'A' class units (15)

50% capital cost of 4 Oil Centres	Rs.	12,000/-
50% Capital cost of Soap Centre	Rs.	4,500/-
Salary of Supervisor-cum-Chemist	Rs.	1,800/-
For 1 Unit	Rs.	18,300/-
For 15 Units	Rs.	2,74,5000/-

(b) 'B' class Units (30)

50% capital cost of 2 Oil Centres	Rs.	6,000/-
50% capital cost of Soap Centre	Rs.	3,250/-
Salary of Chemist	Rs.	1,200/-
For 1 Unit	Rs.	10,450/-
For 30 Units	Rs.	3,13,500/-

(c) 'C' class Units (120)

50% capital cost of 1 Oil Centre	Rs.	3,000/-
50% capital cost of Soap Centre	Rs.	2,250/-
Salary of Apprentice-Chemist	Rs.	900/-
For 1 Unit	Rs.	6,150/-
For 120 Units	Rs.	7,38,000/-

(II) Grants to 20 Educational Institutions

For introducing soap-making industry @ Rs. 500/- per institution	Rs.	10,000/-

(III) Production subsidy on neem and other non-edible oils Rs. 2,23,000/-

(IV) Training

a) Stipends to 300 managers in oilpressing Centres @ Rs. 40/- p. m. for 3 monts.	Rs.	36.000/-
(b) Stipends to 100 supervisors of soap Centre @ Rs. 60/- p.m. for 3 months	Rs.	18,000/-
(c) Stipends to 200 aperentices in oil pressing @ Rs. 40/- p. m. for 3 months	Rs.	24,000/-
(d) Stipends to 100 teachers @ Rs. 40/- p.m. for one month.	Rs.	4,000/-
(e) Tuition fee for 600 trainees @ Rs. 25/- p. m, for 1 month.	Rs.	47,500/-
(f) T.A. Actual IIIclass fair by rail for journey both to and fro to 700 trainees.	Rs.	35,000/-

(g) Grant to 5 Institutions @ Rs. 4,500/-

each for purchase of furniture, equipment, books etc., and expansion of buildings. Rs. 22,500/-

(V) Research Improvements & Experiments. Rs. 25,000/-

(VI) Propaganda. Rs. 10,000/-

Total Rs. 17,86,000/-

Model Centre at Nasik Vidyalaya

(I) Grant towards capital cost for establishing oil-pressing unit. Rs. 3,000/-

(II) Grant towards capital cost for establishing a soap Centre. Rs. 1,187/8/-

(III) Grant towards working capital Rs. 5,000/-

Total Rs. 9,187/8/-

Grant Total Rs. 46,50,187/8/-

3. VILLAGE OIL INDUSTRY LOANS :

1) Loan for stocking oil seeds Rs. 10,00,000/-

2) Working capital for additional 50 Model Centres @ Rs. 2,000/- per centre Rs. 1,00,000/-

3) 2 Ghani manufacturing workshops: Loan for meeting 50% cost of building @ Rs. 1,250/-per centre. Equipment @ Rs. 500/-per centre Rs. 36,750/-

4) Loan for stocking wood/working capital @ Rs. 3,000/-per centre Rs. 63,000/-

4) Sheds for 500 improved ghanis @ Rs. 250/-per shed Rs. 1,25,000/-

5) 10 State workshops 50% cost of Building @ Rs. 3,750/-

Equipment @ Rs. 500/-

Rs. 4,250/-

per workshop Rs. 4,25,000/-

Working capital @ Rs. 500/-per workshop Rs. 50,000/-

6) Share Capital of Oil men: Loan for providing share capital to oilmen to enable them to purchase share for becoming members of Co-operative Societies subject to a maximum of 87½% for 5 shares to an oilmen provided

that the value of each share does not exceed Rs. 100/- Rs. 5,00,000/-

Total Rs. 19,17,250/-

Subsidies and Grants :

1) **Model Centres :-**

(a) Grant for equipment for additional 50 Model Demonstration-cum-production centres @ Rs. 1,500/- per Centre Rs. 75,000/-

(b) Expenditure on construction of sheds for the additional 50 centres @ Rs. 5,000/- per Centre Rs. 2,50,000/-

(c) Grant for meeting expenditure on staff and contingencies @ Rs. 4,000/- per centre for 50 additional centres Rs. 2,00,000/-

2) **Training :-**

a) Stipends for 140 Mistries @ Rs. 75/- p.m. for 3 months. Rs. 31,500/-

b) Stipends for 140 Instructor-trainees @ Rs. 50/- p.m. for 6 month. Rs. 42,000/-

c) Stipends for 2,000/- Telis @ Rs. 30/- for one month. Rs. 60,000/-

d) Grant for meeting expenditure on staff and contingencies for 1 additional training centre. Rs. 10,200/-

e) Grant for 1 additional training centre: Building @ Rs. 15,000/- per centre Rs. 15,000/-

Equipment @ Rs. 11,200/-per centre Rs. 11,200/-

3) **Production Subsidy :-**

Rebate on sales of Village (ghani) oil Rs. 5,00,000/-

4) **21 Ghani manufacturing workshops :-**

Grant for meeting 50% cost of Building @ Rs.1,250/- per centre and Equipment @ Rs. 500/- per centre Rs. 36,750/-

5) **10 State Workshops :-**

Expenditure on Staff Rs. 40,700/-

50% cost of Building @ Rs. 3,750/- per workshop

Equipment @ Rs. 500/- per workshop Rs. 42,500/-

6) **Grant for management charges to selling agents :-**

Grant to 1,000 selling Agencies for meeting expenditure on staff etc.

a) Staff expenses @ Rs. 600/- per depot.

b) Miscellaneous expenditure on Stationery forms etc. @Rs. 40/- per depot Rs. 6,40,000/-

7) Sheds for improved ghanis

50% cost of sheds for 500 improved ghanis @ Rs. 250/- per shed Rs. 1,25,000/-

Total Rs. 20,79,850/-

Grand Total Rs. 39,97,100/-

BEE-KEEPING INDUSTRY

LOANS :

Loans to be given to the Statutory State Boards or Co-operative Societies or Registered Instiutions for expansion of colony and / or for purchasing and stocking implements and honey. Rs. 5,00,000/-

Loans to be given as assistance to 25 educated persons for hives and equipments, for setting up apiaries at 50% of the cost or Rs. 500/- per person, whichever is less. Rs. 12,500/-

T. A. and Contigencies Rs. 16,220/-

GRANTS :

Grant for disbursement to the Statutory State Boards etc. to be utilised as follows :-

1) Existing 15 Area Offices for salaries, rent T. A. and Contigencies. Rs. 67,500/

II) Existing 150 Sub-stations for salaries T. A., rent, contingencies and subsidy on 22,500 hives @ 50% of the cost or Rs. 10/- per hive whichever is less Rs. 3,87,000/-

III) 5 New Area Offices : salaries, T. A., rent, contingencies, equipment etc. Rs. 27,425/-

IV) 100 New Sub-stations : salaries, rent, contingencies, equipment and subsidy on 100 hives Rs. 2,19,000/-

V) 25 Existing Model Apiaries : salaries, rent, contingencies, T. A. Rs. 61,500/-

VI) 15 New Model Appiaries Rs. 60,825/-

VII) 7 Marketing Organisations	Rs.	15,400/-
Total	Rs.	13,67,370/-

TRAINING :

1) Bee-Keeping classes in 50 schools: Grant for equipment, hives etc; Rs. 500/-per school	Rs.	25,000/-
2) Training of Apiarists and Fieldmen:		
a) Stipends to 10 apiarist trainees at Rs. 40/-p. m. per trainee for 6 months	Rs.	2,400/-
b) Stipends to 200 Fieldmen trainees @ Rs. 30/-p. m. Per trainee for 3 months	Rs.	18,000/-
c) Tuition fee to the training Institutions ...Rs. 45/- per trainee for full course	Rs.	9,450/-
d) T.A. to trainees @ Rs. 25/- per trainee (actual III Class fare on an average)	Rs.	5,250/-
3) Assistance to 25 educated persons for setting up apiaries:		
a) Stipends @ Rs.30/- p. m. per trainee for 3 months for 25 trainees (Fieldmen's Course)	Rs.	2,250/-
b) T.A. @ Rs. 45/- per trainee	Rs.	625/-
c) Tuition fee @ Rs. 45/- per trainee for full course	Rs.	1,125/-
d) Subsidy on hives and equipment @ 50% of the cost or Rs. 500/- per person whichever is less	Rs.	12,500/-
4) Publicity, Propaganda, Conferences, Seminars and Symposiums etc.	Rs.	50,000/-
5) Training in industrial use of honey: salaries, rent, T.A., raw materials, contingencies etc.	Rs.	8,080/-
6) 2 Pedigree Breeding Stations : Grant for epuipment @ Rs.6,500/- per station	Rs.	13,000/-
7) Grant to 25 Planters	Rs.	30,000/-
8) Improvement of implements and experiments	Rs.	50,000/-

9) Grant to 50 existing Sub-stations that would become self-supporting for equipment at Rs. 100/- per sub-station and salaries at Rs. 300/- per sub-station Rs, 20,000/-

Total Rs. 16,15,050/-

5. VILLAGE LEATHER INDUSTRY

I Flaying Centres :

Subsidy to 150 Registered Co-operative Socicties, Registered Institutions etc. at half of their capital outlay @ Rs. 3,000/- per centre Rs. 4,50,000/-

II Training-cum-Production Centers (12)

i) Grant to cover expenditure on establishment and rental for 10 months (June 1956 to March 1957) Rs. 1,17,600/-

ii) Stipends for 180 trainees for 12 months at Rs. 40/- per month pertrainee Rs. 86,400/-

iii) T. A. for trainees, for the journey to and fro Rs. 9,000/-

III Model Tanneries (30)

Grant for meeting 75% cost of capital expenditure on tanning shed, tanning pits, drains, compound walls, equipment etc; upto a maximum of Rs. 7,500/- per tannery Rs. 2,25,000/-

IV Bone Crushing Units (20)

Grant for meeting 50% cost of equipment and shed at Rs.1,150, per unit Rs. 23.000

V Additional 500 Pits

Grant for providing additional 500 pits subject to a maximum of Rs. 200 Rs. 1,00,000

VI Repairs to 1000 old pits

Grant for repairs to 1000 old pits upto Rs. 50 per pit Rs. 50,000

VII Training in flaying etc.

i) Stipends to 400 trainees at Rs 40/- per trainee per month for 4 months. Rs. 64,000/-

ii) Tuition fee of 400 trainees subject to a maximum of Rs. 25 per trainee for 4 months Rs. 40,000/-

iii) actual III class fare by rail to

trainees for journey both to and fro Rs. 30,000/-

Total Rs. 11,95,000/-

6. KHADI

For subsidising 50% of the cost of implements & accessories for ginning, carding, slivering, spinning, finishing, reeling and looms and other weaving accessories Rs. 5,00,000/-

For incurring expenditure in connection with the printing and sale of "khadi Hundis" and printing of posters, leaflets, folders etc. Rs. 1,20,000/-

Total Rs. 6,20,000/-

7. HANDPOUNDING OF RICE

Production Subsidy to Producers Co-operative Societies, Registered Bodies etc. Rs. 3,00,000/-

Total Rs. 3,00,000/-

8. VILLAGE INDUSTRIES ON INTENSIVE BASIS

Grants to be disbursed to the Statutory Boards, etc., for the development of Village industries on intensive basis for 50 Intensive Areas:-

Salaries, T. A. & Contingencies Rs. 2,24,250/-

Grant for implementation of Bee-keeping Industry Scheme, Coorg Government Rs. 2,040/-

Grant for implementation of Bee-keeping industry Scheme to Pepsu Government Rs. 3,160/-

Total Rs. 2,29,450/-

9. INTENSIVE AREA WORK

For disbursement to State Statutory Boards etc. in connection with the starting of 40 Intensive Areas on an experimental basis at Rs. 4,000/- per area Rs. 1,16,000/-

Loan for meeting 50 % of capital expenditure on agricultural machinery and equipment and livestock to Utkarsha Samiti, Nasik Vibhag Rs. 15,000/-

Loan as working capital to the above Samiti Rs. 10,000/-

Total Rs. 1,41,000/-

10. ATTA CHAKKI

Crant to Madras Government Rs. 2,050/-

Total Rs. 2,050/-

11. VILLAGE POTTERY INDUSTRY

In addition to the sanctions stated above another sum of Rs. 3,63,410 has been placed at the disposal of the Board for the promotion of the Village Pottery Industry. This amount is to be distributed as under:

Grants:

1. Central Co-ordination Organisation	Rs. 8,000/-
2. Central Training-cum-Research Centre	Rs. 27,600/-
3. Subsidy for supply of equipments	Rs. 56,503/-
4. Publicity, Propaganda, Conference etc.	Rs. 5,000/-
5. Three Regional Training Centres	Rs. 31,620/-
6. Five Demonstration Squads	Rs. 25,400/-
7. Model Production Centres (existing)	Rs. 8,520/-
8. New Model Centres (Three)	Rs. 89,270/-
9. Share capital grant for formation of new co-operative societies	Rs. 300,00/-
Total Grants	Rs. 2,81,910/-

Loans:

1. Loan for meeting the 50% cost of equipments to be supplied on subsidy	Rs. 56,500/-
2. Working capital for the existing two model Production Centres	Rs. 10,000/-
3. Working capital for the new three Model Production Centres.	Rs. 15,000/-
Total Loans	Rs. 81,500/-

NEW INSTITUTIONS CERTIFIED

The Certification Committee of the All India Khadi and Villages Industries Board has certified the following new institutions :-

Certificates issued during April, May, June & July '56.

S.N.	Certificate No.	Name of the institution & Address	Activity for which certificate is given
		1. Andhra	
1	1	Chobrole khadi Hand Spinner's & Handloom Weavers Co-operative Production & Sales Society Ltd. No. J. 143 Chebrole, Dist, Guntur.	Khadi Production

S. N.	Certi-cate No.	Name of the institution & Addres	Activity for which certificate is given
		2. Bengal	
2	336	Rampur Jan Kalyan Samiti, Gaighat, Dist. 24 Parganas.	Khadi production
3	343	Lok Seva Samiti, Khirpai, Dist., Midnapur.	Khadi Production
		3. Bihar	
4	295	Gram Nirman Mandal Sarvodaya Ashram, Sokhodevra, Dist. Gaya	Khadi Production
5	297	Tiril Saghan Kshetra Vikas Samiti, Sarvodaya Ashram, Tiril, P. O. Jagannathpur, Dist. Ranchi.	Khadi Production
6	328	Hansa Khadi Gromodyog Saghan Kshetra Samiti, Hansa, Dist. Darbhanga.	Saranjam & Khadi Production.
7	340	Rajapakar Khadi Kendrit Rachanatmak Sahayog Samiti, Rajapakar, P.O. Bariarpur, Dist. Muzaffarpur.	Khadi Production
8	337	Sarvodaya Kshetra Samiti, Ranipatra, Dist. Purnia, Bihar.	Khadi Production
		4. Bombay	
9	319	Bombay Subarban Consumer's Co-operative Society Ltd. 355 Ghodbandar Road, Andheri, Bombay. 41.	Khadi Sale
		5. Gujrat	
10	306	Taluka Vikas Mandal, Power House Road, Cambay, Dist. Kaira.	Khadi Sale
11	73	Garudeshwar Saghan Kshetra Yojana Samiti. Jhariavadi Dist. Broach.	Khadi Production
		6 Hyderabad	
12	294	Kshetra Vikas Samiti, Murud, Dist. Usmanabad.	Khadi & Saranjam Production.
13	303	Mahboobnagar Khadi & Village Industries Development Trust, Mahboobnagar.	Khadi Production & Sale
14	313	Wool Industrial Co-operative Society Ltd. Chincholi, Dist. Gulbarga.	Woollen & Kambal Production

S. N.	certificate No.	Name of the institution & Address	Activity for which certificate is given
15	318	Wool Industrial Co-operative Society Ltd. Mulkanoor, Taluka Huzurabad, Via Kazipet	Woollen & Kambal Production
16	321	Wool Industrial Co-operative Society Ltd. Jogipet, Medak	Woollen & Kambal Production
17	322	Wool Industrial Co-operative Society Ltd. Chevalla, Taluka Shahabad	Woollen & Kambal Production
18	323	Wool Industrial Co-operative Society Ltd. Humnabad, Dist. Bidar	Woollen & Kambal Production
19	324	Wool Industrial Co-operative Society Ltd, Nizamabad.	Woollen & Kambal Production
20	325	Wool Industrial Co-operative Society Ltd. Dist. Kareemnager. P. o. Kurmavada,	Woollen & Kambal Production.
21	327	Wool Hand-loom Weavers Co-operativa Society Ltd., Eligade, Taluka Sultanabad, Dist: Kareemnagar	Woollen & Kambal production
22	330	Wool Industrial Co-operative Society Ltd. Yadgiri, Dist. Gulbarga.	Wollen & Kambal Production
23	331	Wool Industrial Co-operative Society Ltd. Bidar.	Woollen & Kambal W Producfion
24	332	Wool Industrial Co-operative Society Ltd. Netaji Road, Raichur.	Woollen & Kambal Production
25	333	Wool Weavers Co-operative Society Ltd Siddipeth, Dist, Medak	Wollen & Kambal Production
26	338	Wool Weavers Co-operative Society Ltd. Rangashaipeth, Warangal	Wollen & Kambal Production
27	335	Wool Industrial Co-operative Society Ltd. Shadnagar, Dist. Mahboobnagar.	Wollen & Kambal Production

7. Karnatak

S. N.	certificate No.	Name of the institution & Address	Activity for which certificate is given
28	329	Dombal Kurugal Sangopan & Unneya Utpadak Sahakari Sangh Ltd., Dombal, Dist. Dharwar	Woollen & Kambal Production

S. N.	Certificate No.	Name of the institution & Address	Activity for which certicate is given
29	320	Kadvi Kurigala Sangopan Mattoo Unneya Utpadak Sahakari Sangh Niyamit, Kadvi, Taluka Saundatti. Dist. Belgaum.	Woollen & Kambal Production
30	118	Lingdhal Kuri Sangopan Unneya Utpadak Sahakari Sangh Ltd. Lungdhal, P.O. Karur. Dist Belgaum.	Woollen & Kambal Production
31	312	Wool Industrial Co-operative Producers Society Ltd; Hadargeri, Taluka Ranee bennoor, Dist. Dharwar.	Woollen & Kambal Production
32	309	The Hubli Taluka Kuri Sangopan & Uni Utpadak Sahakari Sangh Ltd; Hubli	Woollen & Kambal Production
33	345	The Hosur Group Khadi Sahakari Utpadak Sangh Ltd, Hosur, Taluka Saundatti, Dist: Belgaum.	Khadi Production
34	346	Vishwakarma Sahakari Utpadak Sangh Ltd. Ron. Dist. Dharwar,	Saranjam Production & Sale
		8. Kashmir	
35	302	Khadi Section, Department of Industries & Commerce Jammu & Kashmir Govt. Srinagar Kashmir.	Cotton & Woollen
		9 Maharashtra	
36	326	Sholapur Zila Vidhayak Samiti, 161 Purva Mangalwar Peth. Sholapur.	Woollen & Kambal Production
37	334	Khadi Aur Gramodyog Bhandar, Mahatma Gandhi Road, Ratnagiri.	Khadi sale
		10 Madras & Malabar	
38	291	Gandhi Niketan Co-operative Village Industries T. Kallupatti, Dist. Madurai	Saranjam Production
39	344	Palaniamal Basic Training School, P/O. Kaliapuram, Taluka Pollachi, Dist. Coimbatore S. India.	Khadi Production
40	316	Chalavar Gramodaya Khadi Sangh, P. O. Chalavar Via Panamanna, S. Malabar	Khadi Production

S. N.	Certificate No.	Name of the institution & Address	Activity for which certificate is given
		11 Mysore	
41	292	Charkha Sangh (Narsingh Raj Colony) 106, Narsingh Raj Colony, Bangalore, 4, Mysore State.	Khadi Production
42	298	Ajjampur Swavalambi, Mandli, ajjampur, Mysore	Khadi Production
43	341	Ambar Khadi Production Co-operative Society Ltd., Anekal, Dist. Bangalore	Khadi Production
		12. Rajasthan & Madhya Bharat	
44	299	Bal Niketan, Jodhpur, C/o Rajasthan Khadi Sangh Jodhpur.	Khadi Production
45	339	Ratlam Sarva Seva Sangh, Dilipnagar, Dist. Ratlam, Madhya Bharat.	Vastra Swavalamban
		13. Saurashtra & Kutch	
46	293	Gandhi Mandir Trust Sanchalit Khadi Gramodyog-Bhandar, Bhavnagar, Saurashtra	Khadi Saranjam & Village Ind. Sale.
47	305	Sri Sharda Gram Khadi Vastra Vidya Udyog Samiti, Shardagram, P. O. Mangrol	Khadi Production
48	182	Mangrol Taluka Rachnatmak Mandal, Mangrol	Khadi Production
49	73	Shishu Mangal Khadi Utpatti Kendra, C/o Shishumangal, Junagarh.	Khadi Production
50	317	Adriana Saghan Kshetra Yojana, Adrina Via Kharaghoda.	Khadi Production
51	180	Khadi Karyalaya, Saghan Kshetra Yojana, Delwada, Dist. Sorath.	Khadi Production
52	342	Bhimani Sarvodaya Trust Sanchalit Khadi & Gramodyog Kendra Lalpur, P. O. Rapar, Kutch	Saranjam & Khadi Productiod
		14. Travancore Cochin State	
53	311	Basic Education Development Society, Kur-Kancheri Trichur, Travancore-Cochin State.	Khadi Production
54	310	Trichur Intensive Area Kshetra Samiti, Nadathara, Via Trichur, Travancore-Cochin State.	Khadi Production

S. N.	Certificate No.	Name of the institution & Address	Activity for which ceritificate is given
55	296	The Checkkanal Gramodharana Co-operative Society Ltd., Omalloor, Travancore Cochin State.	Khadi Production
		15 Uttar Pradesh	
56	290	Johar Sahakari Vikas Sangh Ltd. Munasyari, Dist. Almora.	Woollen Khadi Production
57	300	Sri Gandhi Seva Ashram, Jwalapur, Dist. Saharanpur.	Khadi production
58	301	Gram Seva Kendra, Duwari, Dist. Ajamgarh.	Khadi Production
59	304	Khadi Udyog Sahakari Samiti, Shukalpur. Dist. Allahabad	Khadi Production
60	308	Sri Gandhi Ashram, Meerut.	Saranjam Production
61	307	Oon Kala Graha-Udyog Sahakari Samiti Ltd. Kushinagar, Dist. Devaria.	Woollen Khadi Production
62	74	Saghan Kshetra Samiti, C/O Harijan Gurukul Gandhi Gram, Doharighat, Dist, Azamgarh	Khadi & Saranjam Production
63	317	Indo-Tibbaten Border Area Wool Scheme, Almora	Woollen Khadi Production
64	315	Jaunsar Bavar Woollen Scheme, Tehari Garhwal	Woollen Khadi Production

Note :- These institutions can sell Khadi, Saranjam & Village Industries Products also

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1. Though published by the All India Khadi and Village Industries Board, the views expressed in "Khadi Gramodyog" are not necessarily the views of the Board. The object of this Journal is to focus popular attention on the importance of Khadi and other village industries in schemes of national development, to discuss the problems of these industries and to record the progress made in the implementation of development programmes.

2. Contributions and letters intended for publication in this Journal must be brief, must deal exclusively with any one particular aspect of the programmes for development at a time and must bear the name and address of the writer. They must be typed on one side of the paper and must be accompanied by a self-addressed stamped envelope if their return is desired. All communications must be addressed to the Editor, "Khadi-Gramodyog", Post Box No. 482, Bombay, and not to any person by name.

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THE INNER VOICE

"Nobody has, to my knowledge, questioned the possibility of the Inner Voice speaking to some, and it is a gain to the world even if one person's claim to speak under the authority of the Inner Voice can be really sustained. Many may make the claim, but not all will be able to substantiate it. But it cannot and ought not to be suppressed for the sake of preventing false claimants. There is no danger whatsoever if many people could truthfully represent the Inner Voice. But, unfortunately, there is no remedy against hypocrisy, Virtue must not be suppressed because many will feign it. Men have always been found throughout the world claiming to speak for the Inner Voice But no harm has yet overtaken the world through their short-lived activities. Before one is able to listen to that Voice, one has to go through a long and fairly severe course of training, and when it is the Inner Voice that speaks, it is unmistakable. The world cannot be successfully fooled for all time. There is, therefore, no danger of anarchy setting in because a humble man like me will not be suppressed and will dare to claim the authority of the Inner Voice, when he believes that he has heard it."

—MAHATMA GANDHI

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